

United States Bankruptcy Court
Southern District of Florida

In re: Kendall Lake Towers Condominium Association, Inc.

Debtor(s) Case No. 16-12114 RAM
Chapter 11

Kendall Lake Towers Condominium Association, Inc.
AMENDED DISCLOSURE STATEMENT

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I. INTRODUCTION

This is the amended disclosure statement (the "Disclosure Statement") in the chapter 11 case of Kendall Lake Towers Condominium Association, Inc. (the "Debtor"). This Disclosure Statement contains information about the Debtor and describes the amended plan (the "Plan") filed by Debtor. A full copy of the Plan is served with this disclosure statement. ***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 in this Disclosure Statement. General unsecured creditors are classified in Class 2, and will receive a distribution of 75 % of their allowed claims, to be distributed from cash flow, reserves and assessments paid by unit owners, 10% at effective date of confirmation, and the rest in 60 equal monthly payments.

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. *Time and Place of the Hearing to Finally Approve This Disclosure Statement and Confirm the Plan*

The hearing at which the Court will determine whether to finally approve this Disclosure Statement and confirm the Plan will take place pursuant to the court order served herewith.

2. *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 as instructed on the ballot. See section IV.A. below for a discussion of voting eligibility requirements.

Your ballot must be received by the date specified in the ballot or it will not be counted.

3. *Deadline For Objecting to the Adequacy of Disclosure and Confirmation of the Plan*

Objections to this Disclosure Statement or to the confirmation of the Plan must be filed with the Court and served upon counsel as required in the court order served herewith.

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

If you want additional information about the Plan, you should contact **Joel Aresty 305-904-1903 or Aresty@icloud.com**.

C. **Disclaimer**

The Court has to approve 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 non profit corporation. Debtor has been in the business of being a condominium association. Debtor is a condominium Association. Built in 1992, Kendall Lake Towers Condo is a 254 unit condominium located in the The Hammocks (N of SW 80th St) submarket in Miami, Florida. Units for sale are starting at \$129,900.

Debtor insiders as defined in §101(31) of the United States Bankruptcy Code (the "Code") and their relationship to the Debtor. Managing is currently a board of directors elected by unit owners with Kendry Sanchez as President, an insider, and Frank Landrian, Licensed Community Association Manager, and All In One Property Management, LLC, who is an insider.

B. **Management of the Debtor Before and During the Bankruptcy**

During the two years prior to the date on which the bankruptcy petition was filed, the officers, directors, managers or other persons in control of the Debtor (collectively the "Managers") Kendry Sanchez President, Orlando Gonzalez Vice President, Nazly Riascos Tresurer/Secretary and Frank Landrian, Licensed Community Association Manager, and All In One Property Management, LLC.

The Debtor is a Florida non profit corporation. Debtor has been in the business of operating a condominium association.

After the effective date of the order confirming the Plan, the directors, officers, and voting trustees of the Debtor, any affiliate of the Debtor participating in a joint Plan with the Debtor, or successor of the Debtor under the Plan (collectively the "Post Confirmation Managers"), will be: Frank Landrian, Licensed Community Association Manager, and All In One Property Management, LLC \$2032 monthly; Kendry Sanchez President, Orlando Gonzalez Vice President, and Nazly Riascos Tresurer/Secretary, no payment.

C. Events Leading to Chapter 11 Filing

Debtor filed a voluntary petition under chapter 11 of the Bankruptcy Code on 2/16/16.

The Association was under receivership in Circuit Court Case No. 12-39123-CA-20 in the 11th Judicial Circuit in and for Miami-Dade County, Florida, and is alleged to owe \$268,000 as attorneys fees for the receiver. The receiver was moving to enforce collection of its claims against Debtor.

Numerous lawsuits were spawned against Association which were a drain without benefit, and which were stayed by filing this case.

The Association was controlled for many years by former developer Julio Lago. There was a contested recall of the Board of Directors of Mr. Lago and his group and as a result a Receivership was appointed over the Association. The Receiver was Alan Becker and he appointed his law firm of Becker and Poliakoff as the Attorney for the Reciver.

As a result of the recall of Mr. Lago and his group and the Receivership, this Association was plagued with extensive litigation and legal bills. There was extensive litigation between the Receiver and Lago over accounting of Association funds.

In 2013, Becker placed a special assessment of approximately \$ 500,000.00 to fund the legal bills of the Association. In 2014, Becker placed a second special assessment of approximately \$ 400,000.00 to fund legal bills. The Receivers/tip managed the Association through a management company and had complete control of the Association.

In 2015, the Receiver claimed that he needed to pass another special assessment for legal bills. This Assessment was in the amount of \$1,200,000.00. The Board of directors objected and Becker subsequently resigned as receiver and the Board resumed control of the Association. The Association now has control of the books and records and the day to day management of the Association.

Debtor is solvent Financially and is current on all of its operating bills. Debtor was burdened by large legal bills and extensive litigation which is outstanding as a result of Lagos and his group. Debtor's income is the regular assessments it collects monthly from the 254 Unit owners of Kendall Lake Towers Condominium, Inc. The Current monthly income is approximately

\$70,000.00.

While the building is operating with positive cash flows so long as there is no drain from legal fees, the Association faces other challenges. The Association consists of four buildings and a parking area and common area facilities such as a pool. The Buildings need large capital improvements expenditures such as roof repairs and replacements as well as other structural repairs. The Association is unable to fund these capital improvement projects as well as ongoing substantial litigation.

Significant Events During the Bankruptcy Case

Debtor filed a voluntary petition under chapter 11 of the Bankruptcy Code on 2/16/16. First meeting was 3/23/16. Deadline for all creditors to file a proof of claim (except governmental units) 6/21/16; Deadline for governmental units to file a proof of claim: 8/15/16.

Professionals approved by the court includes Joel M. Aresty, counsel for the Debtor-in-Possession, Paul Arcia, special counsel, Frank Landrian, Licensed Community Association Manager, and All In One Property Management, LLC, and Dave V. John CPA as accountant.

D. Projected Recovery of Avoidable Transfers

The Debtor may pursue preference, fraudulent conveyance, or other avoidance actions, but has not done so at the present time.

Numerous payments were paid to insider creditors within a year of the filing of the case, and numerous payments were made to creditors within 90 days of the case.

These payments were made to the receiver Alan Becker, and other counsel and accountants for the receiver, as well as settlement payments to prior professionals.

Suing those creditors in the opinion of Debtor would result in unnecessary expense to the estate and limited benefit because claims are not being paid 100% in any event.

Causes of action are being preserved outside the plan against Julio Lago, who is not a creditor in this case, and claims against claimants APC engineering and perhaps other disputed claimants are being planned.

E. 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.

Claims scheduled as disputed, unliquidated or disputed are not allowed unless claims are filed and allowed. Claims so scheduled but for which no claims were filed and are therefore not allowed include: Miami Dade Co RER \$2,510, Corporate Alliance Group LLC , unliquidated lawsuit, and Miami Dade Co Code Enforcement unliquidated and disputed.

F. Current and Historical Financial Conditions

The funding for the plan will come from continued collection of maintenance and reserves

from unit owners, rental of repossessed units, and special assessments.

The funding must be considered in light of the continued need for maintenance of the premises as well as deferred maintenance, which must be performed in the foreseeable future.

Debtor is collecting an average of \$63,000 per month. Normal operating expenses run an average of \$44,000 per month. Net income is \$15,000 to \$20,000 monthly, \$10,000 of which is being allocated to a reserve account.

Debtor has cash in the reserve account of \$183,487 as of January 13, 2017, \$13,180 in the operations account and \$284,500 in a roof account; payments under the plan can be made from those accounts which can be reallocated or repaid as required by management.

The three condos repossessed by debtor have been researched and have high mortgages, so the units cannot be sold for any profit to debtor, although they are being rented for \$3300 monthly.

Debtor has deferred maintenance including the immediate need for roof replacement estimated at \$890,000, as follows:

roof	890000
structural repair and painting	650000
paving parking area	85000
pool resurfacing	15000
laundry room repair equipment	42000
total	1682000

Additionally there is an unknown amount for building exterior and possible fines.

The current average payment for maintenance by unit owners is \$250. The proposed special assessments would be an additional \$150 monthly for \$400 month.

Management reports that the working class residents of the debtor cannot really afford more than \$400 monthly for maintenance.

The plan borrows from reserve accounts in the first few years and then repays the reserve account in later years.

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 § 507(a)(2) of the Code. 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. 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.

Debtor's estimated administrative expenses, and their proposed treatment

Type	Amount	Proposed Treatment
Expenses Arising in the Ordinary Course of Business After the Petition Date		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	Paid in full on the effective date of the Plan, or according to terms of obligation if later

Professional Fees Joel Aresty counsel DIP* Paul Arcia special state counsel* CPA accountant	tbd	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	Paid in full on the effective date of the
Other administrative expenses		Paid in full on the effective date of the Plan or according to separate written
Office of the U.S. Trustee Fees	tbd	Paid in full on the effective date of the Plan

*Joel Aresty or Paul Arcia may agree to defer a significant amount of their fees to facilitate payment to unsecured creditors on the effective date of the plan. Joel Aresty has filed an interim fee application requesting \$36,054,89 in addition to his \$5900 retainer, or 80% of amount due as of 12/7/16.

Priority Tax Claims

Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 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 IRS had a priority claim of \$149,000 which has been reduced to \$0.

C. **Classes of Claims and Equity Interests and Treatment under the Plan**

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 lists all classes containing claims under §§ 507(a)(1), (4), (5), (6), and (a)(7) of the Code and their proposed treatment under the Plan:

Classes of Secured 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 § 506 of the Code. 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 paid without post petition interest.

Class[es] of General Unsecured Claims

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code. [Insert description of §1122(b) convenience class if applicable.]

Class[es] 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 non profit condominium association they are the unit owners of undivided percentages of ownership in their common areas.

TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

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

Class	Impairment	Treatment
Class 1 - Priority Claim of IRS claim 1-2	unpaired	\$0 to be paid amended claim 1

Class 2 General Unsecured Claims* see itemizations below	impaired.	Allowed unsecured claims under § 502 of the Code will be paid a dividend of 75%; 10% on the effective date, and the remainder in 60 equal monthly installments. Doc 93 is a mediation settlement as to certain of the claims. Claims disputed and not yet allowed will be paid into escrow and held by Debtor in separate DIP account pending allowance or disallowance of the claims
Class - Equity Interests of the Debtor	impaired	Non profit Association will retain interests due to new value

*Unsecured Creditors

Allowed
claim

name

amount

disputed

claim 2	Appelruth, Farah & Co.	36,655	agreed	Doc 93
claim 3	York Miami assign Cuevas and Assoc.	70,000	agreed	Doc 93
claim 4	Becker & Poliakoff	225,749	agreed	Doc 93
claim 5	Becker & Poliakoff	6498	agreed	Doc 93
claim 6	Munos & Morales	32856	agreed	Doc 93
total		371,758		
75%		278,818.50		
10%	paid effective date	(27,882)		
plan	60 monthly payments	250,936.5	4182.27 mo.	

Proof of claim filed and objections filed – not yet allowed

claim 7	Melanie Salas	23000	disputed
claim 8	Danay Bazain	29500	disputed
claim 9	CMG KLT LLC	15000	disputed
claim 10	CMG Condo Fund LLC	316,000	disputed
claim 11	First Condo Mgt LLC	125,000	disputed
claim 12	APC Engineering	96000	disputed
total		604,500	

75%		453,375	
10%	paid effective date	(45,338)	
plan	60 monthly payments	408,037	6801 month

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.

Proof of claim filed and objections filed

Scheduled disputed and no claims filed, and therefore disallowed claims include:

Miami Dade Co RER	2,510		
Corporate Alliance Group LLC		unliquidated lawsuit	
Miami Dade Co Code Enforcement		unliquidated disputed	

Means of Implementing the Plan

1. *Source of Payments*

Payments and distributions under the Plan will be funded by the following: The plan will be funded by ongoing operation of the business and assessment of unit owners as necessary, as described above.

Post-confirmation Management

The Post-Confirmation Managers of the Debtor, and their compensation, shall be as follows: After the effective date of the order confirming the Plan, the directors, officers, and voting trustees of the Debtor, any affiliate of the Debtor participating in a joint Plan with the Debtor, or successor of the Debtor under the Plan (collectively the "Post Confirmation Managers"), will be: Frank Landrian, Licensed Community Association Manager, and All In One Property Management, LLC \$2032 monthly; Kendry Sanchez President, Orlando Gonzalez Vice President, and Nazly Riascos Tresurer/Secretary, no payment.

D. Risk Factors

The proposed Plan has the following risk factors: Debtor's ability to fund could be affected by failure to receive assessments projected.

E. Executory Contracts and Unexpired Leases

The Plan, in VI, lists all executory contracts and unexpired leases that the Debtor will assume under the Plan. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any.

If you object to the assumption of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

All executory contracts and unexpired leases that are not listed will be rejected under the Plan. Consult your adviser or attorney for more specific information about particular contracts or leases.

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 within 14 days of Confirmation of the Plan. 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.

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.

The Bankruptcy Code 11 USC 1125 (a) requires a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan.

Tax Consequences to the Debtor and Reorganized Debtor

Debtor is a non profit corporation. Tax consequences to the Debtor therefore are not applicable.

Tax Consequences to Creditors

Holders of Claims receiving cash generally will recognize gain or loss on the exchange equal to the difference between the holder's basis in the Claim and the amount of cash received that is not allocable to interest. The character of any recognized gain or loss will depend upon the status of the Creditor, the nature of the Claim in its hands and the holding period of such claim.

If a Creditor has treated a Claim as wholly or partially worthless and been allowed and received a tax benefit due to a bad debt deduction, the Claim holder will include the amount of cash received in income to the extent such cash exceeds the holder's remaining tax basis in the Claim.

Holders of Claims may be entitled to installment sales treatment or other deferral with respect to the distribution they receive subsequent to the Effective Date. Holders of Claims may already have claimed partial bad debt deductions with respect to their Claims. The IRS may take the position that holders of Allowed Claims cannot claim an otherwise allowable further loss in the year in which their Claim is allowed because such claimants could receive further distributions. Thus, a holder of a Claim could be prevented from recognizing a loss until the time when its Claim has been liquidated and distributions have been completed. If a holder of a Claim is permitted to recognize a loss in the year of the Effective Date by treating the transaction as a "closed transaction" at such time, such holder may recognize income on any subsequent distribution.

The Debtor will comply with all applicable reporting requirements of the Internal Revenue Code.

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.

F. 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 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 some classes are unimpaired and that holders of claims in each of 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 6/21/16 and 8/15/16 for government units.

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 § 1124 of the Code, 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:

1. holders of claims and equity interests that have been disallowed by an order of the Court;
2. 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.
3. holders of claims or equity interests in unimpaired classes;
4. holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Code; and
5. holders of claims or equity interests in classes that do not receive or retain any value under the Plan; 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.

G. 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.

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 § 1129(b) of the Code. 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 or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Code, 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 or equity interest, as the variations on this general rule are numerous and complex.

H. 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. A liquidation analysis is attached to this Disclosure Statement as Exhibit A.

I. 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. Debtor will file a certificate as part of the process in this case, evidencing that the amounts needed for confirmation are on deposit.

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

The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments. The plan is feasible by reference to the income and expenses supplemented by assessments as described above.

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

II. EFFECT OF CONFIRMATION OF PLAN

DISCHARGE OF DEBTOR

Debtor is a corporation and § 1141(d)(3) is not applicable

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 § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in § 1141(d)(6)(A) if 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). 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.

A. 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 re voting on the Plan.

Upon request of the Debtor, the United States trustee, or the holder of an allowed unsecured

claim, the Plan may be modified at any time after confirmation of the Plan but before the completion of payments under the Plan, to (1) increase or reduce the amount of payments under the Plan on claims of a particular class, (2) extend or reduce the time period for such payments, or (3) alter the amount of distribution to a creditor whose claim is provided for by the Plan to the extent necessary to take account of any payment of the claim made other than under the Plan.

B. Final Decree

Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, 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.

Respectfully submitted,
Kendall Lake Towers Condominium Association, Inc
By: /s/ Kendry Sanchez, President
The Plan Proponent
and
By: /s/ Joel M. Aresty
Joel M. Aresty 197483
Attorney for the Plan Proponent

Exhibits

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

In re:
Kendall Lake Towers
Condominium Association, Inc.
Debtor _____/

Case 16-12114-RAM
Ch 11

**Exhibit A– Value of Property
And Liquidation Analysis**

Assets at Liquidation

<i>cash</i>	<i>468,000</i>	<i>presently</i>
<i>receivables</i>	<i>7000</i>	
<i>furniture</i>	<i>0</i>	<i>incl in equip</i>
<i>equipment</i>	<i>6332</i>	
<i>utility</i>	<i>0</i>	
<i>lawsuit</i>	<i>25000</i>	
<i>total</i>	<i>506,332</i>	

Liabilities in Liquidation

<i>ch 7 atty cpa</i>	<i>200000</i>
<i>ch 11 admin</i>	<i>100000</i>
<i>IRS</i>	<i>0</i>
<i>unsecured claims</i>	<i>976000</i>
<i>deferred maint</i>	<i>1682000</i>
<i>total</i>	<i>2958000</i>

Net

<i>assets</i>	<i>506332</i>
<i>ch 7 liabilities</i>	<i>(2958000)</i>
<i>total</i>	<i>(2451668)</i>

Plan Claims \$976,000

***Percentage of Claims Which secured and unsecured Creditors
Would Receive Or Retain in a Chapter 7 Liquidation: \$0 or \$.00 on the dollar***

***Percentage of Claims Which Allowed claims of secured Creditors
and unsecured creditors Will Receive or Retain under the Plan: 75% or
\$732,194***

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
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In re:

Kendall Lake Towers
Condominium Association, Inc.
Debtor

Case 16-12114-RAM
Ch 11

_____ /

Exhibit B

Funds needed for confirmation on the effective date of the Plan
and Projections of post petition financial performance

Debtor is collecting an average of \$63,000 per month. Normal operating expenses run an average of \$44,000 per month. Net income is \$15,000 to \$20,000 monthly, \$10,000 of which is being allocated to a reserve account.

Debtor has cash in the reserve account of \$183,487 as of January 13, 2017, \$13,180 in the operations account and \$284,500 in a roof account; payments under the plan can be made from those accounts which can reallocated or repaid as required by management.

An essential part of the plan is that we will be raiding the Reserve account up front and have minimal funding for the first two years of the plan.

Attached are current plan proposals for payment and budget and 5 year Projections prepared by state counsel and property manager

allowed

claim 2	Appelruth, Farah & Co.	36,655	agreed	Doc 93
claim 3	York Miami assign Cuevas and Assoc.	70,000	agreed	Doc 93
claim 4	Becker & Poliakoff	225,749	agreed	Doc 93
claim 5	Becker & Poliakoff	6498	agreed	Doc 93
claim 6	Munos & Morales	32856	agreed	Doc 93
total		371,758		

75%		278,818.50	
10%	paid effective date	(27,882)	
plan	60 monthly payments	250,936.5	4182.27

not allowed

claim 7	Melanie Salas	23000	disputed	
claim 8	Danay Bazain	29500	disputed	
claim 9	CMG KLT LLC	15000	disputed	
claim 10	CMG Condo Fund LLC	316,000	disputed	
claim 11	First Condo Mgt LLC	125,000	disputed	
claim 12	APC Engineering	96000	disputed	
total		604,500		

75%		453,375	
10%	paid effective date	(45,338)	
plan	60 monthly payments	408,037	6801

total paid effective date

allowed	27,882		
not allowed	45338	escrow	
total	73,220		

total paid monthly

allowed	4182.27		
not allowed	6801		
total	10983.27		

allowed claims	27,882	
not allowed	45,338	escrow
US Trustee	1625	
needed to confirm	74,845	

**Kendall Lake Towers Condominium Proforma Montly
Operating Budget As of March, 2106**

Income	"March 2016	"April 2016	"May 2016	"June 2016	"July 2016	"August 2016
Total ASSESSMENT INCOME	63,000.00	63,000.00	63,000.00	63,000.00	63,000.00	63,000.00
Expense						
ADMINISTRATIVE EXPENSE						
Total ADMINISTRATIVE EXPENSE	500.00	500.00	500.00	500.00	500.00	500.00
BUILDING EQUIPMENT						
Fire Alarm Monitoring	262.60	262.60	262.60	262.60	262.60	262.60
Fire Equipment	359.35	359.35	359.35	359.35	359.35	359.35
Intercom/Gate Expense	324.00	324.00	324.00	324.00	324.00	324.00
Total BUILDING EQUIPMENT	945.95	945.95	945.95	945.95	945.95	945.95
CONTRACT SERVICES						
Elevator Contract	620.00	620.00	620.00	620.00	620.00	620.00
Pool Service	375.00	375.00	375.00	375.00	375.00	375.00
Total CONTRACT SERVICES	995.00	995.00	995.00	995.00	995.00	995.00
GROUNDSKEEPING						
Landscape Maintenance	1,630.00	1,630.00	1,630.00	1,630.00	1,630.00	1,630.00
Total GROUNDSKEEPING	1,630.00	1,630.00	1,630.00	1,630.00	1,630.00	1,630.00
INSURANCE EXPENSE						
Flood Insurance	1,917.76	1,917.76	1,917.76	1,917.76	1,917.76	1,917.76
INSURANCE EXPENSE	5,859.98	5,859.98	5,859.98	5,859.98	5,859.98	5,859.98
Total INSURANCE EXPENSE	7,777.74	7,777.74	7,777.74	7,777.74	7,777.74	7,777.74
Intuit QBook Deposit slip	189.38	189.38	189.38	189.38	189.38	189.38
Maintenance Supply	1,169.75	1,169.75	1,169.75	1,169.75	1,169.75	1,169.75
PAYROLL & RELATED						
Payroll service Invoices	392.15	392.15	392.15	392.15	392.15	392.15
payroll taxes	2,873.42	2,873.42	2,873.42	2,873.42	2,873.42	2,873.42
Payroll Workman Com	352.35	352.35	352.35	352.35	352.35	352.35
PAYROLL & RELATE	8,430.18	8,430.18	8,430.18	8,430.18	8,430.18	8,430.18
Total PAYROLL & RELATED	12,048.10	12,048.10	12,048.10	12,048.10	12,048.10	12,048.10
Management Fees	2,032.00	2,032.00	2,032.00	2,032.00	2,032.00	2,032.00

REPAIRS & MAINTENANCE

Electrical Repairs	150.00	150.00	150.00	150.00	150.00	150.00
Elevator Repairs	310.00	310.00	310.00	310.00	310.00	310.00
Paint	3,750.00	3,750.00	3,750.00	3,750.00	3,750.00	3,750.00
Total REPAIRS & MAINTENANCE	4,210.00	4,210.00	4,210.00	4,210.00	4,210.00	4,210.00

UTILITIES

Telephone Expense	677.95	677.95	677.95	677.95	677.95	677.95
Trash Collection	2,668.08	2,668.08	2,668.08	2,668.08	2,668.08	2,668.08
Water and Sewer	9,130.32	9,130.32	9,130.32	9,130.32	9,130.32	9,130.32
Total UTILITIES	12,476.35	12,476.35	12,476.35	12,476.35	12,476.35	12,476.35

Total Expense

43,974.27	43,974.27	43,974.27	43,974.27	43,974.27	43,974.27
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Other Expense**Reserves Contribution**

10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
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Total Other Expense

10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
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TOTAL EXPENSES

53974.27	53974.27	53974.27	53974.27	53974.27	53974.27
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Net Income

9,025.73	9,025.73	9,025.73	9,025.73	9,025.73	9,025.73
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Kendall Lake Towers Condominium Association Inc.
Five Year Budget With New Special Assessment

Income	Units	Payment At	YEAR 1	YEAR 2
Regular Assessments	253	Confirmation	\$ 756,000.00	\$ 756,000.00
Special Assessment # 1			\$ 461,532.72	\$ 461,532.72
Special Asse				
Total ASSESSMENT INCOME			\$ 1,217,532.72	\$ 1,217,532.72
Expense				
ADMINISTRATIVE EXPENSE				
Total ADMINISTRATIVE EXPENSE			\$ 6,000.00	\$ 6,000.00
BUILDING EQUIPMENT				
Fire Alarm Monitoring			\$ 3,151.20	\$ 3,151.20
Fire Equipment			\$ 4,312.20	\$ 4,312.20
Intercom/Gate Expense			\$ 3,888.00	\$ 3,888.00
Total BUILDING EQUIPMENT			\$ 11,351.40	\$ 11,351.40
CONTRACT SERVICES				
Elevator Contract			\$ 7,440.00	\$ 7,440.00
Pool Service			\$ 4,500.00	\$ 4,500.00
Total CONTRACT SERVICES			\$ 11,940.00	\$ 11,940.00
GROUNDSKEEPING				
Landscape Maintenance			\$ 19,560.00	\$ 19,560.00
Total GROUNDSKEEPING			\$ 19,560.00	\$ 19,560.00
INSURANCE EXPENSE				
Flood Insurance			\$ 23,013.12	\$ 23,013.12
INSURANCE EXPENSE - Other			\$ 70,319.76	\$ 70,319.76
Total INSURANCE EXPENSE			\$ 93,332.88	\$ 93,332.88
Intuit QBook Deposit slip			\$ 2,272.56	\$ 2,272.56
Maintenance Supply			\$ 14,037.00	\$ 14,037.00
PAYROLL & RELATED				
Payroll service Invoices			\$ 4,705.80	\$ 4,705.80
payroll taxes			\$ 34,481.04	\$ 34,481.04
Payroll Workman Comp paid thru			\$ 4,228.20	\$ 4,228.20
PAYROLL & RELATED - Other			\$ 101,162.16	\$ 101,162.16

Total PAYROLL & RELATED		\$	144,577.20	\$	144,577.20
Management Fees		\$	24,384.00	\$	24,384.00
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REPAIRS & MAINTENANCE					
Electrical Repairs		\$	1,800.00	\$	1,800.00
Elevator Repairs		\$	3,720.00	\$	3,720.00
Paint		\$	45,000.00	\$	45,000.00
Total REPAIRS & MAINTENANCE		\$	50,520.00	\$	50,520.00
UTILITIES					
Telephone Expense		\$	8,135.40	\$	8,135.40
Trash Collection		\$	32,016.96	\$	32,016.96
Water and Sewer		\$	109,563.84	\$	109,563.84
Total UTILITIES		\$	149,716.20	\$	149,716.20
Total Expense		\$	527,691.24	\$	527,691.24
<hr/>					
CASH Remaining After Regular Expenses		\$	689,841.48		689,841.48
Dividends & Deferred Maintenance					
<hr/>					
	TOTAL				
Administrative	\$ 80,000.00	\$ 40,000.00	\$ 40,000.00		0.00
Dividends	\$ 220,000.00	\$ 55,000.00	\$ 33,000.00	\$	33,000.00
Deferred Maintenance	\$ 1,600,000.00				
Roofing		\$ 30,000.00	\$ 515,400.00	\$	354,600.00
Structural				\$	250,000.00
General			\$ 65,000.00	\$	25,000.00
		\$ 125,000.00	\$ 653,400.00	\$	662,600.00
<hr/>					
TOTAL EXPENSES		\$	1,181,091.24	\$	1,190,291.24
<hr/>					
Net Income		\$	36,441.48	\$	27,241.48
Accumulated Reserves		\$	36,441.48	\$	63,682.96

YEAR 3	YEAR 4	YEAR 5	Monthly	
\$ 756,000.00	\$ 756,000.00	\$ 756,000.00	63,000.00	\$ 249.01
\$ 461,532.72	\$ -	\$ -	38,461.06	\$ 152.02

\$ 1,217,532.72	\$ 756,000.00	\$ 756,000.00	101,461.06	\$ 401.03
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\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	500.00
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\$ 3,151.20	\$ 3,151.20	\$ 3,151.20	262.60
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\$ 4,312.20	\$ 4,312.20	\$ 4,312.20	359.35
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\$ 3,888.00	\$ 3,888.00	\$ 3,888.00	324.00
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\$ 11,351.40	\$ 11,351.40	\$ 11,351.40	945.95
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\$ 7,440.00	\$ 7,440.00	\$ 7,440.00	620.00
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\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	375.00
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\$ 11,940.00	\$ 11,940.00	\$ 11,940.00	995.00
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\$ 19,560.00	\$ 19,560.00	\$ 19,560.00	1,630.00
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\$ 19,560.00	\$ 19,560.00	\$ 19,560.00	1,630.00
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\$ 23,013.12	\$ 23,013.12	\$ 23,013.12	1,917.76
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\$ 70,319.76	\$ 70,319.76	\$ 70,319.76	5,859.98
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\$ 93,332.88	\$ 93,332.88	\$ 93,332.88	7,777.74
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\$ 2,272.56	\$ 2,272.56	\$ 2,272.56	189.38
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\$ 14,037.00	\$ 14,037.00	\$ 14,037.00	1,169.75
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\$ 4,705.80	\$ 4,705.80	\$ 4,705.80	392.15
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\$ 34,481.04	\$ 34,481.04	\$ 34,481.04	2,873.42
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\$ 4,228.20	\$ 4,228.20	\$ 4,228.20	352.35
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\$ 101,162.16	\$ 101,162.16	\$ 101,162.16	8,430.18
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\$	144,577.20	\$	144,577.20	\$	144,577.20	12,048.10
\$	24,384.00	\$	24,384.00	\$	24,384.00	2,032.00

\$	1,800.00	\$	1,800.00	\$	1,800.00	150.00
\$	3,720.00	\$	3,720.00	\$	3,720.00	310.00
\$	45,000.00	\$	45,000.00	\$	45,000.00	3,750.00

\$	50,520.00	\$	50,520.00	\$	50,520.00	4,210.00
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\$	8,135.40	\$	8,135.40	\$	8,135.40	677.95
\$	32,016.96	\$	32,016.96	\$	32,016.96	2,668.08
\$	109,563.84	\$	109,563.84	\$	109,563.84	9,130.32

\$	149,716.20	\$	149,716.20	\$	149,716.20	12,476.35
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\$	527,691.24	\$	527,691.24	\$	527,691.24	43,974.27
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689,841.48	228,308.76	689,841.48
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0.00	0.00	0.00			
\$	33,000.00	\$	33,000.00	\$	33,000.00

\$	400,000.00
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\$	85,000.00
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\$	518,000.00	33,000.00	33,000.00
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\$	1,045,691.24	\$	560,691.24	\$	560,691.24	53974.27
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\$	171,841.48	\$	195,308.76	\$	195,308.76	9,025.73
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\$	235,524.44	\$	430,833.20	\$	626,141.96
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Special Assessment # 1 \$ 890,000.00

Cash Needs \$ 1,600,000.00

Admin & Creditors \$ 300,000.00

\$ 1,900,000.00

Excess cash each year \$ 240,000.00

Special Ass \$ 455,400.00 253 150 \$ 37,950.00 \$ 455,400.00

\$ 695,400.00

\$ 2.88

Ex C

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

In re:

**Kendall Lake Towers
Condominium Association, Inc.**
Debtor _____/

**Case 16-12114-RAM
Ch 11**

BALLOT AND DEADLINE FOR FILING BALLOT ACCEPTING OR REJECTING PLAN

**TO HAVE YOUR VOTE COUNT YOU MUST COMPLETE AND RETURN THIS
BALLOT BY THE DEADLINE (AS SET PURSUANT TO LOCAL RULE 3018-1)**

The plan filed by Debtor can be confirmed by the court and thereby made binding on you if it is accepted by the holders of two-thirds in amount and more than one-half in number of claims in each class and the holders of two-thirds in amount of equity security interests in each class voting on the plan. In the event the requisite acceptances are not obtained, the court may nevertheless confirm the plan if the court finds that the plan accords fair and equitable treatment to the class rejecting it.

Creditor: _____ for the
following type of claim placed in the indicated class in the indicated amount:

TYPE OF CLAIM	CLASS IN PLAN	AMOUNT OF CLAIM
Secured		\$
Unsecured		\$
Equity Security Holder		\$

The undersigned [Check One Box] ☐ Accepts ☐ Rejects
the plan for reorganization of the above-named debtor.

Signed:
Print Name:
Address:
Phone:
Date:

FILE THIS BALLOT ON OR BEFORE

with: **Office of the Clerk C. Clyde Atkins United States Courthouse 301 North
Miami Avenue, Room 150 Miami, FL 33128**
and JOEL ARESTY aresty@icloud.com

**If you have more than one type of claim against this debtor, separate ballots must
be filed and you should receive a ballot for each type of claim eligible to vote.
Contact the plan proponent regarding incorrect or insufficient ballot(s).**