

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.
THIRD AMENDED DISCLOSURE STATEMENT

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I. **INTRODUCTION**

This is the third 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 3 and 4, and will receive a distribution of 75 % of their allowed claims, to be distributed from assessments paid by unit owners.

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. 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.

B. Current Insiders of the Debtor

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 Nazly Riascos as President, Orlando Gonzalez as Vice President and Secretary, and Kendry Sanchez as Treasurer, an insider, and Jorge Carmenate President of Sun City Condo Solutions, Inc Community Association Manager who is an insider.

C. Management of the Debtor Before 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.

D. 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 was 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 because 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.

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.

E. 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, replaced by Jorge Carmenate President of Sun City Condo Solutions, Inc Community Association Manager and Dave V. John CPA as accountant, who has not become active.

At a mediation December 5, 2016 and thereafter a settlement was negotiated between several creditors; subsequently other settlements were reached after litigation which is reflected on the Plan treatment of those creditors below.

F. Post-Confirmation Management and Compensation and New Value

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: Jorge Carmenate President of Sun City Condo Solutions, Inc Community Association Manager \$2032 monthly; Nazly Riascos as President, Orlando Gonzalez as Vice President and Secretary, and Kendry Sanchez as Treasurer, no payment.

New value will be contributed by the Debtor in monthly payments to fund the plan from special assessments. It is estimated that the total new value thus contributed will be approximately the amount distributed to creditors and administrative fees in this case.

G. Projected Recovery of Avoidable Transfers

The Debtor generally has the right to pursue preference, fraudulent conveyance, or other

avoidance actions.

Payments were paid to insider creditors within a year of the filing of the case, and payments were made to creditors within 90 days of the case, but those payments were for professional fees owed to creditors which are now the subject of settlements, including receiver Alan Becker, and other counsel and accountants for the receiver, whose claims are not being paid 100%.

Causes of action are being preserved outside the plan against Julio Lago, who is not a creditor in this case.

Adversary proceedings in the nature of claims by Debtor against creditors who have filed claims in this case, First Condo Management LLC and APC Engineering Enterprises Inc., were filed 3/30/17. APC Engineering was settled for \$0 claim, and First Condo Management likewise.

H. 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. Miami-Dade claim 13 is allowed and paid in the plan.

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.

I. Current and Historical Financial Conditions

The funding for the plan will come from assessments to unit owners.

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

In October 2016, the Association passed an \$ 849,997.00 Special Assessment for the purpose of replacing the roofs on all four buildings and the Clubhouse. The work is presently underway and one building has been completed and in the process of passing final inspection.

Professional fees and US Trustee fees will continue to accrue until this case can be concluded.

The maintenance burden of unit owners will be spread between years 1-6 and the period thereafter, so that the total burden will be \$500 range, which management considers the maximum which the unit owners will support and pay due to their own financial situations.

Attached to this disclosure statement in exhibit B are budgets and projections detailing the income and expenses of Debtor for 2018 and projections for the six ½ years during which plan payments will be made.

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.

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 Pla

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 the extent allowed as secured claims under § 506 of the Code.

Classes 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. Debtor has separately classified disputed and undisputed general unsecured claims. The undisputed claimants have an interest in successful reorganization, while the disputed claims have litigation interests, which in fact caused most of the undisputed claims which were professionals who litigated with the disputed claimants.

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 non-profit condominium association such as Debtor, they are the unit owners of undivided percentages of ownership in their own common areas.

TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

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

Class	Impairment	Treatment
Class 1 - Priority Claim of IRS claim 1-2	Unimpaired	\$0 to be paid amended claim 1
Class 2 Secured Claim Miami-Dade County RER Claim 13	impaired	Claim for liens \$29,231.94 will retain lien and be paid in full \$538.33 monthly for 60 months at 4% interest.

Class 3 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.
Class 4 Settled General Unsecured Claims see itemizations below	impaired	Allowed will be paid a dividend of 75% in 78 equal monthly installments.
Class 5 - Equity Interests of the Debtor	impaired	Non profit Association will retain interests and contribute new value by special assessments

Unsecured Creditors

Class 3 -settled

			75%	10%	mo	60	monthly
claim 2	Appelruth, Farah & Co.	36,655	27491.25	2749.13	24742.12		412.37
claim 3	York Miami assign Cuevas and Assoc.	70,000	52,500	5250	47,250		787.50
claim 4	Becker & Poliakoff	225,749	169311.75	16931.18	152380.57		2539.68
claim 5	Becker & Poliakoff	6498	4873.50	487.35	4386.15		73.10
claim 6	Munos & Morales	32856	24642	246.42	24395.58		406.59
total		371,758	278,818.5	25664.08	253,154.42		4219.24

75%		278,818.50	
10%	paid effective date	(25,664.08)	
plan	60 monthly payments	253,154.42	4219.24 month

Class 4- litigated settled claim settled 75% 78 MO

claim 7	Melanie Salas	23,000	32,500	24,375	312.50
claim 8	Danay Bazain	36,860	0	0	0
claim 9	CMG KLT LLC	15,000	30,000	22,500	288.46
claim 10 (a)	CMG Condo Fund LLC	316,000	40,000	30,000	384.62
Claim 10(b)	CMG Condo Fund LLC	79,360	50,000	37500	480.77
Claim 10(c)	CMG Condo Fund LLC	206,057	50,000	37500	480.77
claim 11	First Condo Mgt LLC	125,000	0	0	0

claim 12	APC Engineering	96000	0	0	0
total		897,277	202,500	151,875	1947.12

total paid effective date

Allowed down pay	25664.08	monthly	4219.24
settled	1947.12		
Miami-Dade	538.33		
Total	28149.53		

total paid monthly and months

allowed	4219.24	60 months	
Settled	1947.12	77 months	
Miami-Dade	538.33		
Total	6704.69		

Allowance And Disallowance Of Claims

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	

*Claim 13 was filed by Miami-Dade County RER 4/17/17 for \$29,231.94 as secured, and may be objected to both as late, and as to its substance, which is under investigation. Allowed and paid as class 2 secured claim: Claim for liens \$29,231.94 will retain lien and be paid in full \$538.33 monthly for 60 months at 4% interest.

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 the assessment of unit owners as necessary, as described above.

Post-confirmation Management

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: Jorge Carmenate President of Sun City Condo Solutions, Inc Community Association Manager \$2032 monthly; Nazly Riascos as President, Orlando Gonzalez as Vice President and Secretary, and Kendry Sanchez as Treasurer, 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. Claims not yet allowed may be estimated by the court for voting purposes.

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 equity holders are unimpaired and that holders of claims in those 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 was 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 below.

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.

2. *Treatment of Non-Accepting Classes – "Cram Down"*

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the non-accepting classes are treated in the manner prescribed by § 1129(b) of the Code. A plan that binds non-accepting classes is commonly referred to as a "cram down" plan. The Code allows the Plan to bind non-accepting 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.

All disputed claims have been settled, which should result in a consensual 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. Feasibility is evidenced by Exhibit B showing funds needed for confirmation and funds available for all expenses.

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 available.

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

The Plan Proponent must and will 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.

V. 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/, Nazly Riascos as President
The Plan Proponent
and
By: /s/ Joel M. Aresty
Joel M. Aresty 197483
Attorney for the Plan Proponent

Joel Aresty
Counsel for the Debtor-in-Possession
309 1st Ave S.
Tierra Verde, FL 33715
Tel: 305-904-1903
Fax: 1-800-559-1870
Email: Aresty@Mac.com

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>lawsuits</i>	<i>25000</i>	<i>sch</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>

***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:***

secured 100%
unsecured 75%

Ex B

Payment of Claims

Class 2 (settled)

			75%	10%	mo	60
claim 2	Appelruth, Farah & Co.	36,655	27491.25	2749.13	24742.12	412.37
claim 3	York Miami assign Cuevas and Assoc.	70,000	52,500	5250	47,250	787.50
claim 4	Becker & Poliakoff	225,749	169311.75	16931.18	152380.57	2539.68
claim 5	Becker & Poliakoff	6498	4873.50	487.35	4386.15	73.10
claim 6	Munos & Morales	32856	24642	246.42	24395.58	406.59
total		371,758	278,818.5	25664.08	253,154.42	4219.24

75%		278,818.50	
10%	paid effective date	(25,664.08)	
plan	60 monthly payments	253,154.42	4219.24 month

Class 3 litigated settled

claim settled 75% 78 MO

claim 7	Melanie Salas	23,000	32,500	24,375	312.50
claim 8	Danay Bazain	36,860	0	0	0
claim 9	CMG KLT LLC	15,000	30,000	22,500	288.46
claim 10 (a)	CMG Condo Fund LLC	316,000	40,000	30,000	384.62
Claim 10(b)	CMG Condo Fund LLC	79,360	50,000	37500	480.77
Claim 10(c)	CMG Condo Fund LLC	206,057	50,000	37500	480.77
claim 11	First Condo Mgt LLC	125,000	0	0	0
claim 12	APC Engineering	96000	0	0	0
total		897,277	202,500	151,875	1947.12

Paid 78 months	151,875	1947.12	
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total paid on effective date

Allowed down pay	25664.08	monthly	4219.24
settled	1947.12		
Miami-Dade	538.33		
Total	28149.53		

total paid monthly and months

allowed	4219.24	60 months	
Settled	1947.12	77 months	
Miami-Dade	538.33		
Total	6704.69		

5 year and 6 ½ year projections and feasibility budget attached

Kendall Lake Towers Condominium Association Five Year Projected Budget After Confirmation

DESCRIPTION	2018 Proposed Annual Budget	2019 Proposed Annual Budget	2020 Proposed Annual Budget	2021 Proposed Annual Budget	2022 Proposed Annual Budget	2023 Proposed Annual Budget
REVENUES						
MAINTENANCE FEES	\$ 769,000.00	\$ 838,000.00	\$ 858,000.00	\$ 858,000.00	\$ 858,000.00	\$ 858,000.00
Roofing SPECIAL ASSESMENT	\$ 282,027.60	\$ 282,027.60	\$ -		\$ -	\$ -
Special Assessment Bld Repairs	\$ -		\$ 280,000.00	\$ 280,000.00	\$ 280,000.00	\$ 280,000.00
OTHER INCOME						
REGISTRATION FEES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CLUBHOUSE RENTAL	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
LAUNDRY INCOME	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00
PARKING DECALS	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
WATER AND SEWER	\$ 84,005.88	\$ 84,005.88	\$ 84,005.88	\$ 84,005.88	\$ 84,005.88	\$ 84,005.88
TOTAL INCOME	\$ 1,137,433.48	\$ 1,206,433.48	\$ 1,224,405.88	\$ 1,224,405.88	\$ 1,224,405.88	\$ 1,224,405.88
EXPENSES						
ADMINISTRATIVE EXPENSE						
BANK FEES	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00
COMPUTER EXPENSE	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
COPIER EXPENSE	\$ 939.00	\$ 939.00	\$ 939.00	\$ 939.00	\$ 939.00	\$ 939.00
COUPONS	\$ 1,778.00	\$ 1,778.00	\$ 1,778.00	\$ 1,778.00	\$ 1,778.00	\$ 1,778.00
DUES AND SUBSCRIPTIONS	\$ 1,077.25	\$ 1,077.25	\$ 1,077.25	\$ 1,077.25	\$ 1,077.25	\$ 1,077.25
FINES AND VIOLATIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LICENSES PERMITS GENERAL	\$ 4,018.00	\$ 4,018.00	\$ 4,018.00	\$ 4,018.00	\$ 4,018.00	\$ 4,018.00
OFFICE EQUIPMENT	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
OFFICE EXTRAS	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
OFFICE SUPPLIES	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
POSTAGE AND PRINTING	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
TOTAL ADMINISTRATIVE	\$ 12,962.25	\$ 12,962.25	\$ 12,962.25	\$ 12,962.25	\$ 12,962.25	\$ 12,962.25
Bankruptcy Payments						
Group 1 Creditors	\$ 32,064.27	\$ 50,187.24	\$ 50,187.24	\$ 50,187.24	\$ 46,004.97	\$ 46,004.97
Group 2 Creditors (See Foot Note 1.)	\$ 1,947.12	\$ 23,365.44	\$ 23,665.44	\$ 23,665.44	\$ 23,665.44	\$ 23,665.44
Admin Claims	\$ 7,500.00	\$ 65,000.00	\$ 60,000.00	\$ -	\$ -	\$ -
TOTAL BANKRUPTCY EXPENSE	\$ 41,511.39	\$ 138,552.68	\$ 133,852.68	\$ 73,852.68	\$ 69,670.41	\$ 69,670.41

Kendall Lake Towers Condominium Association Five Year Projected Budget After Confirmation

DESCRIPTION	2018 Proposed Annual Budget	2019 Proposed Annual Budget	2020 Proposed Annual Budget	2021 Proposed Annual Budget	2022 Proposed Annual Budget	2023 Proposed Annual Budget
PROFESSIONAL FEES						
ACCOUNTING FEES (AUDIT)	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
ENGINEER	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
MANAGEMENT FEES	\$ 30,480.00	\$ 30,480.00	\$ 30,480.00	\$ 30,480.00	\$ 30,480.00	\$ 30,480.00
TOTAL PROFESSIONAL FEES	\$ 46,480.00	\$ 46,480.00	\$ 46,480.00	\$ 46,480.00	\$ 46,480.00	\$ 46,480.00
REPAIRS and MAINTENANCE						
AC Repairs	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00
ELECTRICAL REPAIRS	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00
ELECTRICAL SUPPLIES	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
ELEVATOR REPAIRS	\$ 9,927.34	\$ 9,927.34	\$ 9,927.34	\$ 9,927.34	\$ 9,927.34	\$ 9,927.34
EXTERIOR REPAIRS	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00
LAUNDRY	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00
PAINT	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00
PLUMBING REPAIRS	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
POOL SUPPLIES	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00
REPAIRS AND MAINT SUPPLIES	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00
TOTAL REPAIRS AND MAINTENANCE	\$ 40,927.34	\$ 40,927.34	\$ 40,927.34	\$ 40,927.34	\$ 40,927.34	\$ 40,927.34
MAJOR REPAIRS						
Major Repairs Roof Replace, Structural Rep	\$ 320,000.00	\$ 320,000.00	\$ 350,000.00	\$ 330,000.00	\$ 300,000.00	\$ 300,000.00
TOTAL MAJOR REPAIRS	\$ 320,000.00	\$ 320,000.00	\$ 350,000.00	\$ 330,000.00	\$ 300,000.00	\$ 300,000.00
UTILITIES						
ELECTRICITY	\$ 35,368.00	\$ 35,368.00	\$ 35,368.00	\$ 35,368.00	\$ 35,368.00	\$ 35,368.00
TELEPHONE EXPENSE	\$ 12,800.00	\$ 12,800.00	\$ 12,800.00	\$ 12,800.00	\$ 12,800.00	\$ 12,800.00
TRASH REMOVAL	\$ 43,200.00	\$ 43,200.00	\$ 43,200.00	\$ 43,200.00	\$ 43,200.00	\$ 43,200.00
WATER AND SEWER	\$ 182,120.00	\$ 182,120.00	\$ 182,120.00	\$ 182,120.00	\$ 182,120.00	\$ 182,120.00
TOTAL UTILITIES	\$ 273,488.00	\$ 273,488.00	\$ 273,488.00	\$ 273,488.00	\$ 273,488.00	\$ 273,488.00
RESERVE						
RESERVE CONTRIBUTION				\$ 70,000.00	\$ 100,000.00	\$ 100,000.00
TOTAL RESERVES	\$ -	\$ -	\$ -	\$ 70,000.00	\$ 100,000.00	\$ 100,000.00
TOTALS	\$ 1,083,025.14	\$ 1,180,066.43	\$ 1,205,366.43	\$ 1,195,366.43	\$ 1,191,184.16	\$ 1,191,184.16

Kendall Lake Towers Condominium Association Five Year Projected Budget After Confirmation

DESCRIPTION	2018 Proposed Annual Budget	2019 Proposed Annual Budget	2020 Proposed Annual Budget	2021 Proposed Annual Budget	2022 Proposed Annual Budget	2023 Proposed Annual Budget
Surplus/Shortage	\$ 54,408.34	\$ 26,367.05	\$ 19,039.45	\$ 29,039.45	\$ 33,221.72	\$ 33,221.72

Foot Note 1:

Group 2 Creditors shall be paid \$ 1,947.12 per moth through May 31, 2025
 Total Number of Monthly Payments to group 2 Creditors is 78 months

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).