

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF PUERTO RICO**

IN RE:

VENT ALARM CORPORATION

Debtor

CASE NO. 15-09316 (MCF)

CHAPTER 11

DEBTOR'S SECOND AMENDED PLAN OF REORGANIZATION

Dated: October 23, 2018

Filed by: Vent Alarm Corporation

Vent Alarm Corporation, ("Valcor" or "Debtor"), proposes this Plan of Reorganization ("Plan");

DEFINITIONS

As used in this Plan, the following terms shall have the respective meanings specified below and such meanings shall be equally applicable to the singular and plural forms of the terms defined, unless the context requires otherwise:

1. **"ADMINISTRATIVE CLAIM":** any costs or expenses of administration of the Chapter 11 case entitled to priority in accordance with the provisions of Sections 503(b) and 507(a)(1) of the Bankruptcy Code, including any actual and necessary expenses incurred in preserving Debtor's estate, operating Debtor's business and satisfying post Confirmation Date expenses. Fees and expenses incurred by attorneys and other professionals retained by Debtor in connection with the

preparation, approval, confirmation and consummation of Debtor's Disclosure Statement and Plan shall constitute Administrative Claims.

2. **"AFFILIATE"**: an Affiliate of any Person that is an "affiliate," as defined in the Bankruptcy Code, as if such Person were a Debtor under the Bankruptcy Code.

3. **"ALLOWED ADMINISTRATIVE CLAIM"**: any existing or future Administrative Claim either (a) for which a fee application has been filed on or before the date, if any, designated as the last date for filing such fee application and which has been allowed by a Final Order, or (b) as to any other Administrative Claim, (i) proof of which was filed on or before the date designated by the Bankruptcy Court as the last date for filing the proof of claim with respect thereto, pursuant to the provisions of this Plan or pursuant to any other order, and (ii) as to which either no objection to the allowance thereof has been interposed within the applicable period of limitation fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or as to which any timely objection has been determined and all or some portion has been allowed by a Final Order.

4. **"ALLOWED CLAIM"**: any Claim, other than an Administrative Claim (a) in respect to which a proof of claim has been filed within the time fixed by the Bankruptcy Court pursuant to Bankruptcy Rule 3003(c)(2), or (b) scheduled in the schedule of liabilities filed pursuant to Section 521(1) of the Bankruptcy Code and Bankruptcy Rule 1007(b) and not therein listed as disputed, contingent or unliquidated, and in either case if no objection to the allowance thereof has been filed except to the extent that any such objection has been determined by a final and unappealable order or

judgment or by stipulation approved by a final and unappealable order or judgment.

5. **"ALLOWED INTEREST"**: any interest (a) in respect to which a proof of interest has been filed within the time fixed by the Bankruptcy Court pursuant to Bankruptcy Rule 3003(c)(3), or (b) scheduled in the list of holders of Interests filed with the Bankruptcy Court pursuant to Bankruptcy Rule 1007(a)(3), and in either case if no objection to the allowance thereof has been filed except to the extent that any such objection has been determined by a final and unappealable order or judgment or by stipulation approved by a final and unappealable order or judgment.

6. **"ASSETS"**: all property of the Debtor on the Effective Date, including, without limitation, all Intangible and Tangible Assets.

7. **"BANKRUPTCY CODE"**: the Bankruptcy Reform Act of 1978, as amended and as applicable to the Chapter 11 Case, set forth in Section 101 et seq. of Title 11, United States Code.

8. **"BANKRUPTCY COURT"**: the United States Bankruptcy Court for the District of Puerto Rico, acting in this case, including the United States Bankruptcy Judge presiding in the Chapter 11 Case of the Debtor.

9. **"BANKRUPTCY RULES"**: the Federal Rules of Bankruptcy Procedure, as amended and supplemented by any local bankruptcy rule.

10. **"CASH"**: currency or check drawn by the Debtor against any bank account under its control.

11. **"CHAPTER 11"**: Chapter 11 of the Bankruptcy Code.

12. **"CHAPTER 11 CASE"**: the Chapter 11 case commenced by the Debtor

on the Petition Date.

13. **"CLAIM"**: any (a) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, or (b) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

14. **"CLASS"**: any class into which Allowed Claims or Allowed Interests are classified pursuant to Article I hereof.

15. **"COLLATERAL"**: property in which the Debtor has an interest that secures, in whole or in part, the payment of a Claim (except pursuant to any lien granted under the Plan).

16. **"CONFIRMATION DATE"**: the date of entry of the Confirmation Order in accordance with the provisions of the Bankruptcy Code; provided, however, that if on motion the Confirmation Order or consummation of this Plan is stayed pending appeal, then the Confirmation Date shall be the date of entry of the Final Order vacating such stay or the date on which such stay expires or is no longer in effect.

17. **"CONFIRMATION OF THE PLAN"**: the entry by the Court of an order confirming this Plan in accordance with Chapter 11 of the Bankruptcy Code.

18. **"CONFIRMATION ORDER"**: the order of the Bankruptcy Court confirming this Plan and approving the transactions contemplated herein.

19. **"CONSUMMATION DATE"**: the first business day following the date

on which the Confirmation Order shall become final and unappealable. It shall not mean Substantial Consummation of the Plan and shall be the date on which the events tied to this term in the Plan will take place.

20. **"CONSUMMATION OF THE PLAN":** the accomplishment of all things contained or provided for in this Plan, and the entry of a final decree in this case.

21. **"CONTESTED CLAIM":** any Claim as to which the Debtor has interposed an objection in accordance with the Bankruptcy Code and the Bankruptcy Rules, this Plan or orders of the Bankruptcy Court, which objection has not been withdrawn or determined by a Final Order; provided, however, that any Claim allowed under this Plan shall not be a Contested Claim.

22. **"CORPORATION":** shall include: association having a power or privilege that a private corporation, but not an individual or a partnership, possesses; partnership association organized under a law that makes only the capital subscribed responsible for the debts of such association; joint-stock company; unincorporated company or association; or business trust; but does not include limited partnership.

23. **"CRAM DOWN":** Section 1129(b) of the Bankruptcy Code permits the Court to confirm a plan notwithstanding failure of an impaired class to accept the plan. This subsection contains the so-called cram down. It requires simply that the plan meet certain standards of fairness to dissenting creditors or holders of equity interests. The general principle of the subsection permits confirmation notwithstanding non-acceptance by an impaired class if that class and all below it in priority are treated according to the absolute priority rule. The dissenting class must be paid in full before

any junior class may share under the plan. If it is paid in full, then junior classes may share. Treatment of classes of secured creditors is slightly different because they do not fall in the priority ladder, but the principle is the same.

Specifically, the Court may confirm a plan over the objection of a class of secured claims if the members of that class are unimpaired or if they are to receive under the plan property of a value equal to the allowed amount of their secured claims, as determined under 11 U.S.C. 506(a). The property is to be valued as of the effective date of the plan, thus recognizing the time-value of money. As used throughout this subsection, "property" includes both tangible and intangible property, such as a security of the debtor or a successor to the debtor under a plan.

The Court may confirm a plan over the dissent of a class of unsecured claims, including priority claims, only if the members of the class are unimpaired, if they will receive under the plan property of a value equal to the allowed amount of their unsecured claims, or if no class junior will share under the plan. That is, if the class is impaired, then they must be paid in full or, if paid less than in full, then no class junior may receive anything under the plan.

24. **"CREDITOR"**: any Person that is the holder of a Claim.

25. **"DEBTOR"**: Vent Alarm Corporation.

26. **"DEBTOR-IN-POSSESSION"**: the Debtor as Debtor-in-possession in the Chapter 11 Case.

27. **"DEFICIENCY CLAIM"**: a Claim of a Creditor equal to the amount by which the aggregate Claims of such Creditor against the Debtor exceed the sum of (a)

any setoff rights of the Creditor against the Debtor plus (b) the Net Proceeds realized from the disposition of the Collateral securing such Claim or, if such Collateral is not liquidated to cash, the value of the interest of the Creditor in the Debtor's interest in the Collateral securing such Claim, provided, however, that if the holder of such Claim makes the election provided in Section 1111(b) of the Bankruptcy Code, there shall be no Deficiency Claim in respect to such Claim.

28. **"DISALLOWED CLAIM":** a Claim to the extent that such Claim was disallowed by a Final Order or by written agreement of the holder thereof.

29. **"DISCLOSURE STATEMENT":** the Disclosure Statement in respect to this Plan approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code.

30. **"EFFECTIVE DATE":** shall be thirty days (30) days after the Confirmation Order becoming final and unappealable.

31. **"FINAL ORDER":** an order or a judgment which has not been reversed, stayed, modified or amended and (a) as to which (i) the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for certiorari, review or rehearing is pending, or (ii) if an appeal, review, reargument or certiorari of the order has been sought, the order has been affirmed or the request for review, reargument or certiorari has been denied and the time to seek a further appeal, review, reargument or certiorari has expired, and (b) as a result of which such order shall have become final and unappealable in accordance with applicable law.

32. **"GOVERNMENTAL UNIT":** the United States, State, Commonwealth,

District, Territory, Municipality, foreign state, department, agency, or instrumentality thereof (but not a United States trustee while serving as a trustee in a case under the Bankruptcy Code), or other foreign or domestic government.

33. **"INTANGIBLE ASSETS":** all general intangibles, rights, claims, contract rights, franchise rights, and causes of action, whether equitable or legal, of the Debtor and the Debtor-in-Possession (including the right to prosecute or compromise and settle such rights, claims and causes of action in the name of such Persons or office).

34. **"INTERESTS":** equity interests in Debtor, including its common stock.

35. **"MUNICIPALITY":** political subdivision or public agency or instrumentality of a state.

36. **"NET PROCEEDS":** all proceeds realized from the sale or other disposition of Assets, after deduction of all reasonable costs and expenses to the extent actually incurred and paid in connection with the preservation and sale or other disposition of the Assets and, to the extent applicable, after the payment of any Secured Claim on such Asset.

37. **"PERSON":** an individual, partnership and corporation, but does not include Governmental Units, provided, however, that any Governmental Unit that acquires an asset from a Person as a result of operation of a loan guarantee agreement, or as a receiver or liquidating agent of a Person, will be considered a Person for purposes of Section 1102 of the Code.

38. **"PETITION DATE":** November 24, 2015, the date on which the Debtor filed its Chapter 11 petition with the Bankruptcy Court.

39. **"PLAN"**: this Plan in its present form or as it may be amended or supplemented from time to time.

40. **"SECURED CLAIM"**: a Claim of a Creditor arising on or before the Petition Date that is secured by a lien on Collateral or that is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of the value of such Creditor's interest in the Debtor's interest in the property, or to the extent of the amount of the setoff, as applicable; provided, however, that if the Creditor makes the election provided in Section 1111(b) of the Bankruptcy Code, the Creditor's Claim shall be a Secured Claim in the full amount of the Creditor's Allowed Claim.

41. **"SECURED CREDITOR"**: any Creditor that is the holder of a Secured Claim.

42. **"SUBSTANTIAL CONSUMMATION"**: means:

(A) transfer of all or substantially all of the property proposed by the Plan to be transferred;

(B) assumption by the Debtor, the Reorganized Debtor under the Plan of the business or of the management of all or substantially all of the property dealt with by the Plan; and

(C) commencement of distribution under the Plan.

43. **"TANGIBLE ASSETS"**: all personal and real property of the Debtor, and proceeds thereof (including cash proceeds), existing immediately before the Consummation Date.

44. **"TAX CLAIM"**: any Claim that is entitled to priority in payment under

Section 507(a)(8) of the Bankruptcy Code.

45. **"UNSECURED CLAIM":** an unsecured Claim, including any Deficiency Claim that is not: (i) entitled to priority pursuant to the Bankruptcy Code; or (ii) subordinated for purposes of distribution to any Unsecured Claim pursuant to Subsection 510(b) or 510(c) of the Bankruptcy Code.

46. **"UNSECURED CREDITOR":** any Creditor that is the holder of an Unsecured Claim.

ARTICLE I CLASSIFICATION OF CLAIMS

1.1 Unclassified Claims

ADMINISTRATIVE CLAIMS - Costs and expenses of administration as defined in the Bankruptcy Code as the same are allowed, approved and ordered paid by the Court. Debtor estimates that, at the time of the confirmation of the Plan, Class I administrative claims to be approximately \$1,179,236.

PRIORITY TAX CLAIMS – Claims entitled to priority by Section 507 (a) (8) of the Bankruptcy Code. Such Priority Tax Claims consist of sales and use tax, income tax, and other miscellaneous taxes accrued prior to the Petition Date.

All Priority Tax Claims will be paid in cash and shall receive in full satisfaction thereof approximately \$300,000.00 on or before 30 days after the Effective Date. Furthermore, and in order to pay Treasury's priority claim in full, after all payments listed in the Plan have been made, Treasury shall receive any and all remaining funds from the liquidation of Debtor's assets. If any assets

cannot be liquidated and/or collected within 180 days after the Effective Date, said assets shall be transferred and/or assigned to Treasury and with said transfer Treasury's priority claim shall be deemed paid in full.

1.2 Classified Claims

1.2.1. Class 1 (SECURED CREDITOR LUCHETTI PREVIOUSLY BPPR) – Class 1 shall consist of the secured claim of Luchetti (previously Banco Popular) estimated in the total amount of \$3,861,054.64, secured by Debtor's business real property located in Gurabo.

1.2.2. Class 2 (SECURED CREDITOR LUCHETTI PREVIOUSLY ORIENTAL) - Class 2 shall consist of the secured claim of Oriental Bank estimated in the total amount of \$1,518,113.18 secured by Debtor's cash, accounts receivables, inventory, machinery and equipment, land lot in Gurabo and real property in Andalucía Avenue.

1.2.3. Class 3 (GENERAL UNSECURED CREDITORS) – Class 3 shall consist of the unsecured claims, including the deficiencies of the secured creditors. The total amount of these claims is estimated to be \$4,364,860.95.

1.2.4. Class 4 (EQUITY HOLDERS) – Class 4 shall consist of all equity interests in the Debtor.

ARTICLE II CLAIMS NOT IMPAIRED UNDER THE PLAN

2.1 NONE.

ARTICLE III TREATMENT OF CLASSES THAT ARE IMPAIRED UNDER THE PLAN

3.1 Class 1 (SECURED CREDITOR LUCHETTI PREVIOUSLY BPPR) – The secured portion of this claim will be paid with the transfer of its collateral as a partial payment in kind in the estimated amount of \$2,250,000. The deficiency shall be treated as an unsecured claim. **This class is impaired and is entitled to vote on the Plan.**

3.2 Class 2 (SECURED CREDITOR LUCHETTI PREVIOUSLY ORIENTAL) – This claim will be paid in full with the transfer of its collateral as a total payment in kind. **This class is impaired and is entitled to vote on the Plan.**

3.3 Class 3 (UNSECURED CLAIMS HOLDERS) – Under the Plan, all unsecured general claims will be paid their pro-rata share of the \$60,000.00 carve out for the unsecured creditors, which shall be paid within 120 days after the Effective Date. This payment is estimated to yield 1.3% of the total unsecured general claims that are expected to be allowed. **This class is impaired and is entitled to vote on the Plan.**

Class 4 (EQUITY HOLDERS) – Under the Plan, all equity interests in the Debtor shall be cancelled on the Effective Date. **This class is impaired, deemed to have rejected the Plan, and not entitled to vote on the Plan.**

ARTICLE IV MEANS FOR EXECUTION OF THE PLAN

4.1 The Plan is to be funded by the proceeds to be generated from the sale of all of Debtor's assets.

ARTICLE V

PROVISIONS FOR ASSUMPTION OF EXECUTORY CONTRACTS

5.1 On the Effective Date all of Debtor's leases and executory contracts to which Debtor is a party and which have not been expressly assumed or rejected pursuant to 11 U.S.C. §365(a) will be deemed rejected. It is hereby clarified that the only lease and/or executory contract that has been assumed by Debtor and as such will be deemed assumed through the Plan is the sub-contract with Bird Construction for the Ciudadela Project.

ARTICLE VI PROVISIONS FOR THE RETENTION, ENFORCEMENT, SETTLEMENT OR ADJUSTMENT OF CLAIMS BELONGING TO THE DEBTOR

6.1 According to the provisions of Section 1123(b) (3) of the Bankruptcy Code, Debtor will retain and enforce or settle and adjust any Claim belonging to the Debtor or to its estate.

ARTICLE VII DISCHARGE OF CLAIMS

7.1 Discharge of Claims. Except as otherwise provided herein, by the Bankruptcy Code or in the Confirmation Order, the rights granted by this Plan and the payments and distributions to be made hereunder shall be in complete exchange for and in full satisfaction and release of, all existing debts and Claims of any kind, nature or description whatsoever against the Debtor or the Debtor-in-Possession, or any of its assets or properties; and on the Consummation Date, all existing Claims against the Debtor or Debtor-in-Possession shall be, and shall be deemed to be, exchanged, satisfied, discharged and released in full; and all holders of Claims shall be precluded from asserting against the Debtor or its assets or properties any other or further Claim

based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Consummation Date, whether or not such holder filed a proof of claim.

7.2 Effect Of Confirmation Order. Except as otherwise provided for in this Plan, the Confirmation Order shall constitute an injunction against the pursuit of any Claim or Interests, whether or not a proof of claim or proof of interest based on any such debt, liability, or interest is allowed under Section 502 of the Bankruptcy Code.

7.3 Cancellation of Existing Indebtedness and Liens. Except as may otherwise be provided in the Plan, on the Effective Date, all credit agreements, promissory notes, mortgages, security agreements, invoices, contracts, agreements and any other documents or instruments evidencing Claims against Debtor, together with any and all liens or other encumbrances securing the same, shall be canceled and released without further act or action by any Person under any applicable agreement, law, regulation, order or rule, and Debtor's obligations thereunder shall be deemed cancelled, discharged and released. To the extent deemed necessary or advisable by Debtor or the Reorganized Debtor, any holder of a Claim shall promptly provide Debtor or the Reorganized Debtor with an appropriate instrument of cancellation or release, as the case may be, in suitable form for recording wherever necessary to evidence such cancellation or release, including the cancellation or release of any Lien securing such Claim.

7.4 Setoffs. Except as otherwise provided herein, nothing contained in the Plan shall constitute a waiver or release by the Debtor and its estate of any rights of

setoff the Debtor and its estate may have against any Person.

ARTICLE VIII
VOTING ON THE PLAN AND COMPLIANCE WITH 11 U.S.C. §1129

8.1 Unimpaired Classes or Claims Not Receiving Dividends. Class 4 who are insiders and/or the proponents of the Plan are deemed to have accepted the Plan or are not otherwise required to have their votes to accept or reject the Plan solicited. Accordingly, Debtor is not required to solicit the votes of such Class with respect to the acceptance or rejection of the Plan.

8.2 Voting Rights. Each holder of an Allowed Claim in an impaired Class which retains or receives property under the Plan shall be entitled to vote separately to accept or reject the Plan and indicate such vote on a duly executed and delivered ballot as provided in such order as is entered by the Bankruptcy Court establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan.

8.3 Reservation of Section 1129(b) Rights. In the event that an impaired Class will have failed to accept the Plan by the requisite majorities in accordance with Section 1126 (c) and (d) of the Bankruptcy Code, Debtor hereby reserves its rights and intends to request that the Bankruptcy Court confirms the Plan in accordance with the Cram Down provisions under Section 1129(b) of the Bankruptcy Code.

8.4 Section 1129(a) (12) Compliance. All fees payable under 28 U.S.C. §1930, as determined by the Bankruptcy Court at the hearing on Confirmation of the Plan, either will have been paid or will be paid on the Consummation Date as an Administrative Claim.

8.5 Deemed Satisfaction of Section 1129(a) (13) of the Bankruptcy Code. Prior to the commencement of the Chapter 11 Case, the Debtor did not have a plan providing for retiree benefits, as that term is defined in Section 1114 of the Bankruptcy Code. Consequently, the confirmation requirements contained in Section 1129(a)(13) of the Bankruptcy Code are inapplicable to the Plan, and the Plan shall be deemed to have satisfied such requirements.

ARTICLE IX
CONDITIONS PRECEDENT TO CONFIRMATION

- 9.1 That it be determined by the Court after hearing on notice that:
- (a) The Plan has been accepted in writing by the Creditors and holders of Interests whose acceptance is required by law;
 - (b) The provisions of Chapter 11 of the Code have been complied with and that the Plan has been proposed in good faith and not by any means forbidden by law;
 - (c) Each holder of a Claim or Interests required to vote on the Plan has accepted the Plan or will receive or retain under the Plan property of a value, as of the Effective Date of the Plan, that is not less than the amount such holder would receive or retain if the Debtor were liquidated under Chapter 7 of the Code on such date. The Plan does not discriminate unfairly, and is fair and equitable, with respect to each Class of Claims or Interests that is impaired under the Plan, and has not accepted the Plan; and
 - (d) All payments made or promised by the Debtor or by a Person

issuing securities or acquiring property under the Plan or by any other Person for services or for costs and expenses in, or in connection with, the Plan and incident to the case, have been fully disclosed to the Court and are reasonable or, if to be fixed after Confirmation of the Plan, will be subject to the approval of the Court.

ARTICLE X
CONDITIONS PRECEDENT TO CONSUMMATION

10.1 The following shall be conditions precedent to the consummation of the Plan:

- (a) The Confirmation Order be final and unappealable; and
- (b) The transactions and payments set forth in Articles II and III of the Plan have been effected.

ARTICLE XI
RETENTION OF JURISDICTION

11.1 Scope of Jurisdiction. On and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction, to the fullest extent permissible under law, over all matters arising in, arising under, or related to the Chapter 11 Case and this Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

- (a) To hear and determine any motions for the assumption, assumption and assignment, or rejection of executory contracts and the allowance of claims resulting therefrom;

- (b) To hear and determine any motion, adversary proceeding, application, contested matter, and other litigated matter pending on or commenced after the Confirmation Date;
- (c) To ensure that distributions to holders of Allowed Claims are accomplished as provided herein;
- (d) To hear and determine all matters related to the allowance, disallowance, liquidation, classification, priority, compromise, estimation or payment of any Claim or Equity Interest, including any objections to, or requests for estimation of claims or equity interests, whether filed, asserted or made before or after the Confirmation Date;
- (e) To enter, implement or enforce such orders as may be appropriate in the event that the Confirmation Order is for any reason stayed, reversed, revoked, modified or vacated;
- (f) To issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any entity with the consummation, implementation or enforcement of this Plan, the Confirmation Order or any other order of the Bankruptcy Court;
- (g) To hear and determine any application to modify this Plan to cure any defect or omission or reconcile any inconsistency in this Plan, or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;
- (h) To hear and determine any application for compensation for services rendered and reimbursement of expenses incurred to the extent authorized to be paid or reimbursed under this Plan or the Bankruptcy Code;
- (i) To hear and determine disputes arising in connection with the interpretation, implementation or enforcement of this Plan, the Confirmation Order, the Order (Docket No. 487), the Order Approving Urgent Joint Sale of Certain of the Debtor's Assets, Pursuant to Section 363 and 365 of the Bankruptcy Code, Free and Clear of All Liens, Claims, Interests and Encumbrances (Docket No. 488), or any other Order or other document governing or relating to any of the foregoing;
- (j) To take any action and issue such orders as may be necessary to construe, enforce, implement, execute and consummate this Plan or to maintain the integrity of this Plan following Consummation;
- (k) To determine any other matters that may arise in connection with or are related to this Plan, the Confirmation Order, the Order (Docket No. 487), the Order Approving Urgent Joint Sale of Certain of the Debtor's Assets, Pursuant to Section 363 and 365 of the Bankruptcy Code, Free and Clear of All Liens, Claims, Interests and Encumbrances (Docket No. 488), or any other contract, instrument, release or other agreement or document related to this Plan;
- (l) To hear and determine all disputes involving the existence, nature or scope of the injunctions and releases granted under this Plan, the Confirmation Order or the Bankruptcy Code;
- (m) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

- (n) To enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Chapter 11 Case;
- (o) To consider and act on the compromise and settlement of any claim, equity interest or cause of action by, on behalf of, or against the debtor's estate, to the extent that Bankruptcy Court approval is required;
- (p) To hear and determine any rights, claims, equity interests or causes of action held by or accruing to the Debtor pursuant to this Plan, the Bankruptcy Code or any federal or state law;
- (q) To hear and determine any other matters related hereto and not inconsistent with the Bankruptcy Code and title 28 of the United States Code;
- (r) To recover all assets of the Debtor and property of the debtor's estate, wherever located, and to hear and determine all adversary proceedings or other litigations related thereto; and
- (s) To enter a final decree closing the Chapter 11 Case.

11.2 Failure Of The Bankruptcy Court To Exercise Jurisdiction. If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction or is otherwise without jurisdiction over any matter arising out of the Chapter 11 Case, including the matters set forth above, this Article shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

ARTICLE XII AMENDMENT AND INTERPRETATION OF THE PLAN

12.1 Amendment. This Plan may be altered, amended or modified by the Debtor before or after the Confirmation Date, in the manner provided for by Section 1127 of the Bankruptcy Code. A holder of a Claim or Interests that has accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, the Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.

12.2 Headings. The headings used in the Plan are inserted for convenience of

reference only and neither constitutes part of the Plan nor in any manner affect the provisions or interpretation thereof.

12.3 Severability. Should any provision in the Plan be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any other provision(s) of the Plan.

12.4 Successors and Assigns. The rights and obligations of any Person named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of such Person.

12.5 Internal References. The words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to the Plan as a whole and not to any particular section, subsection or clause contained in the Plan.

12.6 Governing Law. Except to the extent the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, or to the extent the Plan provide otherwise, the rights and obligations arising under this Plan shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Puerto Rico.

12.7 Inconsistency. In the event of any inconsistency between the Plan and the Disclosure Statement, or any other instrument or document created or executed pursuant to the Plan, the terms of the Plan shall govern.

ARTICLE XIII MISCELLANEOUS

13.1 Debtor shall have until twenty (20) days before the hearing on Confirmation of the Plan to file objections to Claims. Any Claims not objected to prior to the expiration of said period will be considered allowed, unless otherwise dealt with in

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this Plan.

In San Juan, Puerto Rico, this 23rd day of October, 2018.

VENT ALARM CORPORATION
P.O. Box 1319
Gurabo, PR 00778-1319

s/ Fernando A. Sosa Velasco
FERNANDO A. SOSA VELASCO