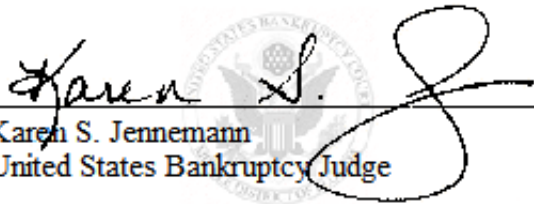


ORDERED.

Dated: October 16, 2020



Karen S. Jennemann
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION
www.flmb.uscourts.gov

In re)	Case No. 6:20-bk-01346-KSJ
)	Chapter 11
Ellingsworth Residential Community)	
Association, Inc.,)	
)	
Debtor.)	
)	
)	

**ORDER CONFIRMING
DEBTOR'S PLAN OF REORGANIZATION**

Consistent with the Memorandum Opinion Confirming the Debtor's Plan of Reorganization entered simultaneously, it is

ORDERED:

1. **Plan Confirmed.** Ellingsworth Residential Community Association, Inc. (the "Debtor") filed a Plan of Reorganization on June 1, 2020 (Doc. No. 54), which was modified on August 13, 2020 (Doc. No. 250), and August 20, 2020 (Doc. No. 270). The Debtor's Final Plan of Reorganization incorporates the modifications (Doc. No. 294) (the "Plan"), a copy of which is

attached as **Exhibit 1**.¹ The Plan is **CONFIRMED** under 11 U.S.C. § 1191(b). If there is a discrepancy between the Plan and this Order, this Order controls.

2. **Authority to Act.** Debtor is authorized and directed to execute all agreements and undertake the actions contemplated by the Plan.²

3. **Claim Objections.** Debtor shall file all objections to claims within ninety (90) days after the Effective Date of the Plan; however, the Debtor may seek an extension of this deadline if appropriate.

4. **Quarterly Financial Reporting.** Within 21 days after the end of each quarter, the Debtor shall file with the Court and provide to the Subchapter V Trustee post-confirmation quarterly financial reports (the “Quarterly Reports”) for each quarter (or portion thereof) of the Plan term. The Subchapter V Trustee shall use the Quarterly Reports to evaluate and collect from the Debtor the Disposable Income subject to Distribution under the Plan. The Quarterly Reports shall: (i) be generated by the Debtor’s management company or an accounting / finance professional retained by the Debtor; (ii) detail the Debtor’s actual Disposable Income for each calendar quarter (which shall be calculated using a cash basis method of accounting and reported under Generally Accepted Accounting Principles (GAAP)); and (iii) be certified by the Debtor’s board of directors or an authorized representative of the Debtor’s board of directors. To the extent Subchapter V Trustee or any party in interest (as such term is defined at 11 U.S.C. § 1109) disagrees with the Debtor’s calculation of Disposable Income in the Quarterly Reports, such party shall file an objection within seven (7) days after the applicable Quarterly Report is filed and this

¹ Capitalized terms in this order have the same meaning as defined in the Plan. However, if a term inadvertently is not capitalized, the Court’s intent is that it will continue to have the same meaning as that defined in the Plan.

² Pursuant to Local Rule 3020-1(c)(1) – a schedule summarizing the timing and amount of payments to be made to each class of creditors entitled to receive distributions under the Final Plan of Reorganization is attached hereto as **Exhibit 2**.

Court retains jurisdiction to resolve any timely filed objection or to otherwise enforce the terms of the Plan.

5. **Tax Returns.** During the term of the Plan, Debtor shall timely file all tax returns and make all tax payments and deposits when due. If the Debtor need not file tax returns for any period during the Plan term, the Debtor shall provide the Subchapter V Trustee with a statement to that effect. For each tax return that becomes due after entry of this Order, Debtor shall, within fourteen (14) days of filing the return, provide the Subchapter V Trustee with a complete copy of the tax return, including all schedules and attachments.

6. **Plan Payment Procedures.**

(a) **Debtor's Remittance.** Within seven (7) business days of filing each Quarterly Report, the Debtor shall remit the Disposable Income to the Subchapter V Trustee. Payments by the Debtor under this Plan to Class 1 Claimholders shall be made to the **Subchapter V Trustee, L. Todd Budgen, P.O. Box 520546, Longwood, Florida 32752** in a manner requested by the Subchapter V Trustee. The Debtor shall provide the Subchapter V Trustee with prompt reports of any untimely negotiated checks and otherwise provide bank statements and supporting financial records as requested by the Subchapter V Trustee.

(b) **Distributions to Creditors by Subchapter V Trustee.** Within seven (7) business days of the expiration of objection period applicable to a Quarterly Report, the Subchapter V Trustee shall disburse such funds received from the Debtor according to the Plan. If a recipient fails to negotiate a check issued by the Subchapter V Trustee within 60 days, the Subchapter V Trustee may redistribute the funds on a *pro rata* to other Class 1 unsecured creditors, as provided for under the Plan, or may place the funds with this Court's unclaimed funds register under 28 U.S.C. § 2042, at the discretion of the Subchapter V Trustee. If the Subchapter V Trustee has

insufficient funds to make any distribution required under the Plan, The Subchapter V Trustee may adjust future Plan Payments during the life of the Plan without further order. Any disbursements made by the Subchapter V Trustee following entry of this Order because of a claim withdrawn or for which the Subchapter V Trustee receives a satisfaction of claim are deemed authorized disbursements, and the Subchapter V Trustee shall have no liability for these disbursements. Debtor will pursue the recovery of any disbursements made because of a claim withdrawn or satisfied. The approximate payments to each Class of Claims is listed on **Exhibit “2”**.

7. **Discharge.** Under 11 U.S.C. § 1192, as soon as practicable after making all required Plan Payments, the Debtor promptly shall file its Final Report of Estate, Motion for Final Decree, and Request for Order of Discharge for consideration by the Court.

8. **Subchapter V Trustee Disbursement Reports.** For every quarter he makes a disbursement, the Subchapter V Trustee shall file a quarterly disbursement report and submit a copy to the United States Trustee. Upon completion of all Plan Payments, the Subchapter V Trustee promptly shall file his final report and accounting to the United States Trustee for review under section 1183(b)(1). After review by the United States Trustee, the Subchapter V Trustee shall file his final report and accounting with the Court.

9. **Notices from Subchapter V Trustee.** The Subchapter V Trustee may limit notice of any reports, document, pleading or other filing related to this case to those parties directly affected and to those interested parties which have filed a notice of appearance or proofs of claim, as necessary. The Subchapter V Trustee has no obligation to serve parties who have not filed a notice or appearance or who are unaffected by any report, document, pleading or other filing.

10. **Post-Confirmation Fees and Expenses of the Subchapter V Trustee.** The Subchapter V Trustee must seek Court approval to pay his fees and expenses which approval may be

obtained utilizing the Court's negative notice procedures upon fourteen (14) days' notice to the Debtor, the Office of the United States Trustee, and all Class 1 Claimholders.

11. **Payments and Distributions by the Subchapter V Trustee on Disputed Claims.**

Except as otherwise provided in the Plan, no partial Plan Payments and no partial distributions will be made regarding a Disputed Claim until the dispute is resolved by settlement or Final Order. For clarity, each class's claimants may not have a distribution until all claims within the class are final. Unless otherwise agreed to by the Debtor or as otherwise specifically provided in the Plan or court order, a Creditor who holds both an Allowed Claim and a Disputed Claim will not receive a distribution until such dispute is resolved by settlement or Final Order. This section is not intended to restrict payment of any unclassified undisputed claims.

12. **Subchapter V Trustee Obligations.**

(a) **Obligations Related to the Pursuit of Causes of Action.** The Subchapter V Trustee has no obligation to pursue or manage the Debtor's pursuit of Causes of Action. Rather, the pursuit and management of Causes of Action shall be coordinated by and among the Debtor's board of directors and the attorney retained by the Debtor to pursue Causes of Action.

(b) **Administration of the Estate.** The Subchapter V Trustee shall file all reports required by the United States Trustee in the manner prescribed by the United States Trustee Program. When the Plan term ends, the Subchapter V Trustee shall file his final report and seek a discharge of his duties as Subchapter V Trustee.

13. **Retention of Jurisdiction.** The Court retains jurisdiction for any matters that may come before the Court in the administration or enforcement of the Plan and or this order including, but not limited to, the jurisdiction to determine all objections to claims of creditors; to declare a default under the Plan if the Debtor fails to obtain member approval for the Special Assessment of

\$300,000; to fix and award all compensation to parties who may be so entitled; to hear and determine all questions about the assets or property of the debtors, including questions relating to any sums of money, services, or property due to the debtor; and determine all matters of any nature or type necessary or appropriate to carry out the Plan.

14. Alice Guan's objections to confirmation are all **OVERRULED**.

15. **A Post-Confirmation Status Conference has been scheduled before the Honorable Karen S. Jennemann for February 25, 2021 at 9:30 a.m., at the United States Bankruptcy Court, 400 W. Washington Street, 6th Floor, Courtroom A, Orlando, Florida 32801.**

###

Attorney Daniel A. Velasquez is directed to serve a copy of this order on all interested parties and file a proof of service within three (3) days of entry of the order.

EXHIBIT 1

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

In re:

CASE NO. 6:20-bk-01346-KSJ

**ELLINGSWORTH RESIDENTIAL
COMMUNITY ASSOCIATION, INC.,**

**CHAPTER 11
SUBCHAPTER V ELECTION**

Debtor.

**FINAL PLAN OF REORGANIZATION FOR
ELLINGSWORTH RESIDENTIAL COMMUNITY ASSOCIATION, INC.**

COUNSEL FOR DEBTOR

**JUSTIN M. LUNA, ESQ.
DANIEL A. VELASQUEZ, ESQ.
LATHAM, LUNA, EDEN & BEAUDINE, LLP
111 N. MAGNOLIA AVE., SUITE 1400
ORLANDO, FLORIDA 32801**

September 9, 2020

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

In re:

CASE NO. 6:29-bk-01346-KSJ

ELLINGSWORTH RESIDENTIAL
COMMUNITY ASSOCIATION, INC.,

CHAPTER 11
SUBCHAPTER V ELECTION

Debtor.

FINAL PLAN OF REORGANIZATION FOR
ELLINGSWORTH RESIDENTIAL COMMUNITY ASSOCIATION, INC.

ELLINGSWORTH RESIDENTIAL COMMUNITY ASSOCIATION, INC. (the “Debtor”), by and through its undersigned counsel, hereby proposes the following Final Plan of Reorganization (the “Plan”) pursuant to Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”), which Plan incorporates the modifications filed at Doc. Nos. 250 and 270 in the instant case.

ARTICLE I – DEFINITIONS

1. **Administrative Claim** shall mean a Claim for payment of an administrative expense of a kind specified in §§ 503(b) or 507(a)(1) of the Bankruptcy Code, including, without limitation, the actual, necessary costs and expenses incurred after the commencement of the Bankruptcy Case of preserving the Debtor’s Estate and operating the Debtor’s business, including wages, salaries, or commissions for services, compensation for legal and other services and reimbursement of expenses awarded under §§ 330(a) or 331 of the Code, and all fees and charges assessed against the Estate under Chapter 123 of Title 28, United States Code.

2. **Administrative Claims Bar Date** means the date by which all Administrative Claims must be filed with the Bankruptcy Court to be allowed. The Administrative Claims Bar Date will be established by the Bankruptcy Court as a specific date prior to the Confirmation Date.

3. **Allowed Administrative Claim** means all or any portion of an Administrative Claim that has been or becomes allowed by Order of the Bankruptcy Court.

4. **Allowed Claim** means a Claim (a) with respect to which a Proof of Claim has been filed with the Bankruptcy Court in accordance with the provisions of Bankruptcy Code § 501 and Bankruptcy Rule 3001 and within any applicable period of limitation fixed by Rule 3003 or any notice or Final Order of the Bankruptcy Court; (b) deemed filed pursuant to Bankruptcy Code § 1111(a) by virtue of such Claim having been scheduled in the list of Creditors prepared and filed by the Debtor with the Bankruptcy Court pursuant to Bankruptcy Code § 521(1) and Rule 1007(b) and not listed as disputed, contingent, or unliquidated; or (c) deemed an Allowed Claim (including Allowed Secured Claims and Allowed Unsecured Claims) pursuant to the provisions of the Plan or any Final Order of the Bankruptcy Court. Unless otherwise provided in the Plan or unless deemed or adjudicated an Allowed Claim pursuant to the provisions of the Plan or any Final Order of the Bankruptcy Court, an Allowed Claim shall not include any Claim as to which an objection to or proceeding challenging the allowance thereof has been interposed by the Debtor within any applicable period of limitation fixed by the Plan, by Rule 3003, or any Final Order of the Bankruptcy Court, until such objection or proceeding has been overruled, dismissed, or settled by entry of a Final Order. Notwithstanding the filing of any such objection or the commencement of any such proceeding, a Claim may be temporarily allowed for voting purposes pursuant to the provisions of Rule 3018(a). Unless otherwise specified in the Plan or any Final Order of the Bankruptcy Court, an Allowed Claim shall not include or accrue interest on the amount of such Claim maturing, incurred otherwise or arising subsequent to the Petition Date.

5. **Allowed Interest** means an Interest (a) with respect to which a proof of Interest has been filed with the Bankruptcy Court within the applicable period of limitation fixed by Rule 3001 or a Final Order; or (b) that has been scheduled in the list of equity security holders prepared and

filed by the Debtor with the Bankruptcy Court pursuant to Rule 1007(b); and in either case as to which no objection to the allowance thereof has been interposed within any applicable period of limitation fixed by Rule 3001 or any Final Order of the Bankruptcy Court.

6. **Allowed Priority Claim** means a Priority Claim pursuant to §507, exclusive of §507(a)(8) of the Bankruptcy Code; to the extent such Priority Claim is or becomes an Allowed Claim.

7. **Allowed Priority Tax Claim** means a Priority Claim pursuant to § 507(a)(8) of the Bankruptcy Code; to the extent such Priority Claim is or becomes an Allowed Claim.

8. **Allowed Unsecured Claim** means an Unsecured Claim to the extent such Unsecured Claim is or becomes an Allowed Claim.

9. **Assets** means each and every item of Property of the Estate and every interest of the Debtor and its Estate as of the Effective Date, whether tangible or intangible, legal or equitable, liquidated or unliquidated, whether or not controlled by the Debtor, and includes without limitation: (a) all real and personal property and Cash; (b) all rights, Claims, demands, or Causes of Action, whether arising by statute or common law, and whether arising under the laws of the United States, other countries, or applicable state or local law; (c) any and all amounts owed to the Debtor, including accounts receivable, contract rights, or other rights, including without limitation rights to payment, contribution or distribution from Insiders, whether due prior or subsequent to the Petition Date; (d) all of the Debtor's books, records, and privileges; and (e) all Executory Contracts, and other contracts, agreements, licenses, and leases.

10. **Bankruptcy Case** means the Debtor's bankruptcy case that is pending before the United States Bankruptcy Court for the Middle District of Florida, Orlando Division, pursuant to Chapter 11 of the Bankruptcy Code, Case Number 6:20-bk-01346-KSJ.

11. **Bankruptcy Code** or **Code** means Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq., including any amendments thereto, in effect during the Bankruptcy Cases.

12. **Bankruptcy Court** or **Court** means the United States Bankruptcy Court for the Middle District of Florida, Orlando Division, in which the Bankruptcy Case is pending, and any Court having jurisdiction to hear appeals or certiorari proceedings therefrom.

13. **Bankruptcy Rules** means the Federal Rules of Bankruptcy Procedure promulgated under Title 28, United States Code, § 2075, including any amendments thereto, as they may be amended from time to time during the Bankruptcy Case.

14. **Bar Date** means the date fixed by Order of the Bankruptcy Court as the last date for the filing of Claims in this Bankruptcy Case.

15. **Business Day** means every day except Saturdays, Sundays, federal holidays, and Florida state holidays observed by the Bankruptcy Court.

16. **Cash** means cash or cash equivalents, including, but not limited to, checks, bank deposits, negotiable instruments, or other similar items.

17. **Causes of Action** means any and all of the Estate's and the Debtor's actions, Claims, demands, rights, defenses, counterclaims, cross-claims, suits, causes of action, liabilities, obligations, debts, judgments, remedies, damages, recoupments, setoffs, cross claims, counterclaims, third party claims, indemnity claims, contribution claims, and any other claims, whether known or unknown, foreseen or unforeseen, direct or indirect/derivative, choate or inchoate, in law, equity or otherwise, including but not limited to the right to recover transfers voidable or recoverable under Bankruptcy Code §§ 502, 542, 543, 544, 545, 547, 548, 549, 550, 551, and/or 553, and any and all other claims or rights of any value whatsoever, at law or in equity, against any Creditor or other third party, including any and all claims against any Insiders, members, officers, directors, managers or employees of the Debtor, including any claims for contribution or indemnification for any

unauthorized post-petition obligations or transactions and any transaction or obligation incurred by the Debtor not otherwise approved by the Bankruptcy Court; provided, however, that, when used in the Plan, the term Causes of Action does not include any Claims, obligations, suits, judgments, damages, rights, remedies, causes of action, charges, costs, debts, indebtedness, or liabilities released or waived pursuant to the terms of the Plan or by a Final Order of the Bankruptcy Court. A Cause of Action will not under any circumstances be waived as a result of the failure of the Debtor to describe such Cause of Action with specificity in the Plan or the Disclosure Statement, and nothing in the Plan operates as a release of any of the Causes of Action except as specifically provided in the Plan.

18. **Claim** means, “claim” as defined in Bankruptcy Code § 101(5).

19. **Class** means any Class into which Claims or Interests are classified pursuant to the Plan.

20. **Class 1 Claim, Class 2 Claim, Class 3 Claim, etc.**, shall mean the specific Class into which Claims or Interests are classified pursuant to Article II of the Plan.

21. **Confirmation** means the process leading to confirmation of the Plan, including the entry of the Confirmation Order pursuant to Bankruptcy Code § 1129.

22. **Confirmation Date** means the date of entry of the Confirmation Order by the Bankruptcy Court on the Court’s docket.

23. **Confirmation Hearing** means the date set by the Bankruptcy Court for the hearing on confirmation of the Plan, as may be continued from time to time.

24. **Confirmation Order** means the Final Order entered by the Bankruptcy Court confirming the Plan in accordance with the provisions of the Bankruptcy Code.

25. **Contingent** means, with reference to a Claim, a Claim that has not accrued or is not otherwise payable and the accrual of which or the obligation to make payment on which is dependent upon a future event that may or may not occur.

26. **Creditor(s)** means “Creditor” as defined in Bankruptcy Code § 101(1).

27. **Creditor Trust** means that certain trust created for the benefit of Allowed Class 1 Claimholders.

28. **Debtor** means ELLINGSWORTH RESIDENTIAL COMMUNITY ASSOCIATION, INC.

29. **Declarations** means the Declaration of Covenants, Conditions and Restrictions for Ellingsworth recorded in the Orange County, Florida Public Records at Book 08169 and Page 0153.

30. **Disallowed** means, when referring to a Claim, a Claim or any portion of a Claim that has been disallowed or expunged by a Final Order of a Court.

31. **Disposable Income** shall have the same definition and meaning as the same term is defined under 11 U.S.C. § 1191(d).

32. **Disputed Claim** means every Claim or portion thereof, that is not an Allowed Claim and that has not yet been Disallowed.

33. **Disputed Equity Interest** shall mean an Interest in the Debtor which is not an Allowed Interest and which has not been disallowed by a Final Order or the Bankruptcy Court.

34. **Distribution** means a distribution to the Holders of Allowed Claims.

35. **Effective Date** means the date upon which this Plan becomes effective and the Debtor starts making Distributions as set forth in Article VII .

36. **Estate** means the bankruptcy estate of the Debtor created under Bankruptcy Code § 541.

37. **Equity Interest** means any and all equitable or legal interests in the Debtor by virtue of their membership with the Declaration of Covenants, Conditions and Restrictions for Ellingsworth as amended and modified.

38. **Executory Contract** means every unexpired lease to which the Debtor is a party, and every other contract that is subject to being assumed or rejected by the Debtor under Bankruptcy Code § 365, pursuant to the Plan or pursuant to separate motion.

39. **Final Decree** means the Bankruptcy Court's final decree pursuant to Bankruptcy Code § 350(a) and Bankruptcy Rules 3022 and 5009 closing the Bankruptcy Cases after the Estate has been fully administered.

40. **Final Order** means an Order or judgment of the Bankruptcy Court that is no longer subject to appeal or *certiorari* proceedings and as to which no appeal or *certiorari* proceeding is pending.

41. **Holder** means the holder of a Claim or Interest, as applicable.

42. **Impaired Class** means any Class whose members are Holders of Claims or Interests that are impaired within the meaning of Bankruptcy Code § 1124.

43. **Insider** means "insider" as defined in Bankruptcy Code § 101(31).

44. **Interest(s)** means an issued or authorized outstanding equity interest, a warrant or warrants for the issuance of such equity interests, or any other equity instruments in the Debtor.

45. **Nonordinary Course Administrative Claim** shall mean an Administrative Claim other than an Ordinary Course Administrative Claim.

46. **Order** shall mean a determination, decree, adjudication or judgment issued or entered by the Bankruptcy Court.

47. **Ordinary Course Administrative Claim** shall mean an Administrative Claim incurred in the ordinary course of business of the Debtor; provided, however, that any due and unpaid, post-petition payment in respect of rejected, or to be rejected, executory contracts or unexpired leases shall not be an Ordinary Course Administrative Claim.

48. **Payment** shall mean the Cash to be paid under the Plan to the holders of Allowed

Claims.

49. **Person** means “person” as defined in Bankruptcy Code § 101(41).

50. **Personal Property** means all tangible personal property of the Debtor subject to taxation under Florida law.

51. **Petition Date** means March 3, 2020, the date on which Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

52. **Plan** means this Chapter 11 Plan of Reorganization, in accordance with the terms hereof or in accordance with the Bankruptcy Code.

53. **Plan Payments** means payments made by the Debtor pursuant to the terms of the Plan.

54. **Prepetition** means the period of time preceding the Petition Date and concluding on the Petition Date.

55. **Priority Claim** means an Unsecured Claim, other than an Administrative Claim, to the extent such Unsecured Claim is entitled to priority in payment under Bankruptcy Code § 507.

56. **Priority Tax Claim** means every Unsecured Claim or portion thereof that is entitled to priority pursuant to Bankruptcy Code § 507(a)(8).

57. **Priority Unsecured Claim** means every Unsecured Claim or portion thereof that is not an Administrative Claim or a Priority Tax Claim, and that is entitled to priority under any applicable provision of Bankruptcy Code § 507.

58. **Pro Rata** means proportionate, and when applied to a Claim means the ratio of the consideration distributed on account of an Allowed Claim in a Class to the amount of consideration distributed on account of all Allowed Claims in such Class.

59. **Professional** means: (i) any professional retained by the Debtor in the Bankruptcy Case pursuant to an order of the Bankruptcy Court in accordance with Bankruptcy Code §§ 327 or

1103; (ii) any attorney or accountant seeking compensation or reimbursement of expenses pursuant to Bankruptcy Code § 503(b); and (iii) any entity whose fees and expenses are subject to approval by the Bankruptcy Court as reasonable pursuant to Bankruptcy Code § 1129(a)(4).

60. **Professional Fees** means the Administrative Claims for compensation and reimbursement submitted pursuant to Bankruptcy Code §§ 328, 330, 331, or 503(b) of Professionals (i) employed pursuant to an order of the Bankruptcy Court under Bankruptcy Code §§ 327 or 328; or (ii) for whom compensation and reimbursement has been allowed by the Bankruptcy Court pursuant to Bankruptcy Code § 503(b) or by other Final Order.

61. **Proof of Claim** means the form filed in the Bankruptcy Court by a Creditor on which the specifics of a Claim are set forth as required by the Bankruptcy Code and the Bankruptcy Rules.

62. **Property of the Estate** means “property of the estate” as defined in Bankruptcy Code § 541.

63. **Reorganized Debtor** means the Debtor upon the Effective Date of the Plan.

64. **Schedules** means the schedules of assets and liabilities and any amendments thereto filed by the Debtor with the Bankruptcy Court in accordance with Bankruptcy Code § 521(1).

65. **Security Interest** means “security interest” as defined in Bankruptcy Code § 101(51).

66. **Subchapter V Trustee** means L. Todd Budgen who was appointed pursuant to 11 U.S.C. § 1183.

67. **Unimpaired Class** means any Class the members of which are the holders of Claims or Interests, which are not impaired within the meaning of Bankruptcy Code § 1124.

68. **Unsecured Claim** means every Claim or portion thereof, regardless of the priority of such Claim, which is not a Secured Claim.

69. **United States Trustee** shall have the meaning ascribed to it in 28 U.S.C. § 581, *et. Seq.* and, as used in the Plan, means the office of the United States Trustee for Region 21 located in the Middle District of Florida, Orlando, Florida.

ARTICLE II – BRIEF HISTORY OF DEBTOR AND CLASSIFICATION OF CLAIMS AND INTERESTS

On March 3, 2020, Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Middle District of Florida, Orlando Division. No trustee has been appointed and the Debtor continues to operate its business and manage its property as a debtor-in-possession under §§ 1107(a) and 1108 of the Bankruptcy Code. Debtor is a Florida not-for-profit corporation incorporated in 2013. The Debtor, among other things, manages a homeowner's association in Oviedo, Florida. The Debtor's primary source of income is derived from assessments from its eighty (80) homeowners in three subdivisions, Ellingsworth, Hampton Estates and Bellevue. The Debtor is governed by the Declaration of Covenants, Conditions and Restrictions for Ellingsworth recorded in the Real Property Records of Seminole County, BK 08169, Pages 0153-241 (89 pages) on November 26, 2013 and as subsequently amended (the "Declarations"). The Declarations require the Debtor to maintain the Common Areas (as defined). The Declarations expressly limit the purpose of Assessments as set forth in Section 4.2 of the Declaration. The Assessment is set based on an approved annual budget set by the Debtor's board of directors and approved by the owners.

In October 2019, Alice Guan ("Guan") received a final judgment of dismissal against the Debtor, which allowed for further adjudication as to reasonably attorney's fees and costs. Guan is seeking over \$500,000 in fees and costs against the Debtor, despite being pro se for a significant portion of the case. Guan also has alleged counterclaims against the Debtor alleges damages for mental anguish among other items and in excess of \$600,000.00. She has raised similar claims in

other cases against other companies and individuals. Guan has filed proofs of claim for such with the Bankruptcy Court. In addition, the Debtor has its own unpaid legal fees for defending such actions. Additionally, the Debtor's own Declaration require approval of the Owners to even retain attorneys related to litigation, which is logistically difficult. The costs of ongoing litigation have hampered the Debtor's ability to conduct routine business and maintenance. Specifically, the Debtor is in need to repairing roadwork, which it does not currently have enough funds to address or otherwise resolved. The Debtor's reserves were never funded properly by the developer, when it turned over control of the association to the homeowners in 2017. According to an expert turnover analysis, the Debtor has over \$200,000 in deferred repair and maintenance costs. The main portion of the deferred maintenance costs is pre-existing damage and the initial preventative maintenance for all of the roads in the 3 subdivisions. The Debtor's projected maintenance costs for 2020 is over \$100,000 driven primarily for preventative road maintenance costs. Maintenance of the roads is a Common Area that must be maintained under the Declarations.

As of March 3, 2020, the Debtor had accounts receivable in the amount of \$28,625.23 for unpaid homeowner dues and special assessments owed by over 30% of its homeowners. Since 2017, the Debtor has increased its dues by nearly 15% per year, the maximum possible without a community-wide vote. Even with the annual dues increases, the pressure of litigation costs, general operating expenses, required maintenance payments, and the lack of reserve planning has left the Debtor's Board of Directors unable to meet its fiduciary responsibilities outside of a Chapter 11 reorganization. The Debtor has also experienced significant turnover since the developer turned over control of the association to the homeowners. Since November 2017, the Debtor has had four management companies in addition to five changes in membership to the Debtor's Board of Directors. These changes resulted in a diminished capacity for the Debtor to ensure that problems were identified, analyzed and properly resourced. With no available line of credit, little to no cash

reserves, and no ability to successfully restructure its finances outside of bankruptcy, Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in order to preserve its assets for its entire estate. Debtor hopes to restructure its existing debts and return to properly funding its reserves. The Debtor intends to file its Plan of Reorganization proposing distribution to creditors in accordance with the Subchapter V mandate.

All Claims and Interests treated under Articles IV of the Plan are divided into the following classes, which shall be mutually exclusive:

A. Unsecured Claims.

1. Class 1 – Allowed General Unsecured Claims.

Class 1 consists of all Allowed General Unsecured Claims. Class 1 is Impaired.

B. Equity Interests.

1. Class 2 – Equity in the Debtor.

Class 2 consists of all equitable interests in the Debtor. Class 2 is Unimpaired.

ARTICLE III – ADMINISTRATIVE EXPENSES AND PRIORITY CLAIMS.

A. Administrative Expense Claims.

In full and final satisfaction, settlement, release and discharge of each Allowed Administrative Claim, Holders of an Allowed Administrative Expense Claim shall be paid in full over a three year period, paid quarterly commencing on the Effective Date, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor, or, if the Claim does not become Allowed prior to the Effective Date, on the date the Allowed Amount of such claim is determined by Final Order of the Bankruptcy Court. The Allowed Administrative Claims shall be paid from cash on hand or through pre-petition retainers. Debtor estimates Administrative Claims to be approximately

\$20,000.00, after deducting pre-petition and post-petition retainers. It is anticipated that the Administrative Claims shall come from the Debtor's legal counsel and the Subchapter V Trustee only. This number may dramatically be higher if confirmation and related contested matters becomes a reality. In such case, the number may exceed \$100,000.00.

B. Priority Claims.

1. Allowed Priority Tax Claims.

Except to the extent that the Holder and the Debtor have agreed or may agree to a different treatment, in full satisfaction of each Priority Tax Claim, each Holder of an Allowed Priority Tax Claim shall receive, in full satisfaction of such Claim, payments equal to the Allowed Amount of such Claim. Allowed Priority Tax Claims shall be paid in full on the Effective Date or such subsequent date that the Payments will commence on the later of the Effective Date or on such dates as a respective Priority Claim becomes Allowed. The filed amount of Priority Tax Claims is currently \$0.00.

2. Allowed Priority Claims.

Except to the extent that the Holder and the Debtor have agreed or may agree to different treatment, in full satisfaction of each Priority Claim, exclusive of Priority Tax Claims under 11 U.S.C. §507(a)(8), each Holder of an Allowed Priority Claim shall receive, payment of such Claim in full on the Effective Date or the date on which such Priority Claim becomes Allowed. The Debtor does not anticipate any Allowed Priority Claims.

3. United States Trustee Fees.

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

paid when due in the ordinary course. The Debtor does not anticipate any United States Trustee Fees.

ARTICLE IV – TREATMENT OF IMPAIRED CLASSES.

A. Determination of Allowed Amounts.

Treatment prescribed for Claims and Interests in the following sections of this Article IV shall in all events refer exclusively to the Allowed Amount of each respective Claim. In the event the Allowed Amount of any Claim is not determined by agreement or otherwise prior to the Effective Date, then the treatment prescribed shall be deemed effective as of the date of the determination of such Claim by agreement or Final Order or as otherwise provided under the Plan. Notwithstanding Confirmation of the Plan, the Debtor reserves the right to object to any Claim (other than Claims deemed in the Plan to be Allowed Claims) for any reason authorized by applicable bankruptcy and non-bankruptcy law, as well as the right to assert that any such Claim includes amounts subject to equitable subordination or other equitable relief.

Entry of the Confirmation Order shall be deemed to be recognition that the Bankruptcy Court expressly retains jurisdiction as to determination of all such issues pursuant to Article VII, Section I, of this Plan, and other applicable law.

There are two (2) Classes of Claims and Interests. Treatment for these classes is as follows:

B. Unsecured Claims.

1. Class 1 – Allowed General Unsecured Claims.

Class 1 consists of all Allowed General Unsecured Claims against the Debtor. In full satisfaction of their Allowed General Unsecured Claims, Holders of Allowed Class 1 Claims shall receive their interest from the Creditors' Trust. On the Effective Date, the Creditor Trust shall be vested with the following assets: (i) 25% of all accounts received that become older than 90 days

past due for three (3) years from the Effective Date; (ii) the net proceeds recovered from all Causes of Action after payment of professional fees and costs associated with such collection efforts as determined by the Creditor Trust Trustee; and (iii) the Debtor's projected Disposable Income paid during the month after the close of each calendar quarter following the Effective Date. In addition, following the Effective Date the Debtor will follow all applicable procedures under its declarations to bring a \$300,000.00 special assessment to a vote. The proposed special assessment, if approved by vote in accordance with the Debtor's Declarations, will provide for the payment of \$300,000.00 in quarterly installments over a period of five (5) years, with such payments shared pro rata among the Holders of Allowed Class 1 Claims, but only in the event the special assessment is approved by the vote required under the Debtor's declarations and only to the extent the Debtor actually receives payments for the special assessment from homeowners.

The quarterly projected Disposable Income payments shall be paid over a term of three (3) years commencing after the Effective Date and *pro rata* to Allowed Class 1 Claimholders. The net proceeds recovered from Causes of Action, if any, shall be paid to Allowed Class 1 Claimholders. The Debtor shall file a quarterly report detailing its actual disposable income for each calendar quarter (which disposable income will be calculated using a cash basis method of accounting) and a litigation report detailing the progress made in generating recoveries from any pursued Causes of Action. In the event the Debtor's Bankruptcy Case is closed, each allowed Class 1 Claimholder may request reasonable financial information from the Debtor to verify the calculation of Class 1 payment(s). The maximum Distribution to Class 1 Claimholders shall be equal to the total amount of Class 1 Claims, and no Class 1 Holder shall receive an amount greater than the amount of its Allowed Unsecured Claim. Class 1 is Impaired.

C. Equity Interests.

1. Class 2 – Equity Interests in the Debtor.

Class 2 consists of all equitable interests in the Debtor. All Class 2 Interests shall be retained in the same proportion existing as of the Petition Date. Class 2 is Unimpaired.

ARTICLE V – UNEXPIRED LEASES AND EXECUTORY CONTRACTS.

A. Assumption or Rejection of Unexpired Leases and Executory Contracts.

To the extent the Debtor rejects any executory contract or unexpired lease prior to the Confirmation Date, any party asserting a Claim pursuant to Section 365 of the Code arising from the rejection of an executory contract or lease shall file a proof of such Claim within thirty (30) days after the entry of an Order rejecting such contract or lease. Allowed Claims resulting from rejection shall be Class 1 General Unsecured Claims, except as otherwise provided herein. The Debtor shall have until the completion of the hearing on Confirmation to assume or reject any unexpired lease or executory contract. In the event any such unexpired lease or executory contract is not assumed (or subject to a pending motion to assume) by such date, such unexpired lease or executory contract shall be deemed rejected as of the Confirmation Date. The Debtor's position is that the executory contracts listed on the Schedule of Executory Contracts filed pursuant to Rule 1007 are the only executory contracts to which the Debtor was a party as of the Petition Date.

ARTICLE VI – MEANS OF IMPLEMENTATION.

A. Business Operations and Creditors' Trust.

The Plan contemplates that the Debtor will continue to manage and operate its association in the ordinary course, but with restructured debt obligations. It is anticipated that the payment of regular assessments by the Equity Interest holders shall be sufficient to make the Plan Payments. Please refer to the spreadsheet attached hereto as Exhibit "A" for a projection of

Debtor's anticipated financial performance during the term of the Plan which includes the Debtor's projected Disposable Income.

Additionally, on the Effective Date, the Debtor will cause and fund the Creditor Trust. The Subchapter V Trustee shall initially serve as the Trustee of the Creditor Trust. Within thirty (30) days after creation and funding of the Creditor Trust by the Debtor, the Subchapter V Trustee, with approval of more than 50% of the Allowed Class 1 Claimholders may designate or elect a successor Trustee for the Creditor Trust. The compensation for the Trustee of the Creditor Trust shall come exclusively from the assets of the Creditor Trust.

As pertains to Causes of Action, the Debtor has done an initial investigation by reviewing its books and records and has identified at least one Cause of Action against Arias Bosinger, PLLC (as reflected on the Debtor's schedules). The Debtor, through undersigned counsel, has discussed pursuit of this potential claims with at least one firm that would handle the claim on a contingency fee arrangement. No decision has been made by the Debtor on pursuit or retention at this point in time. The Debtor shall continue to review its financial affairs to determine if there are any viable Causes of Action within ninety (90) days of the Effective Date. Any such identified Cause of Action or potential Cause of Action shall be disclosed to Class 1 Claimholders and the Subchapter V Trustee prior to such period of time.

B. Funds Generated During Chapter 11.

Funds generated from operations through the Effective Date will be used for Plan Payments; however, the Debtor's cash on hand as of Confirmation will be available for payment of Administrative Expenses. For a complete report detailing the funds generated from Debtor's operations through the Effective Date, please refer to the monthly operating and financial reports filed with the Bankruptcy Court in the Debtor's Bankruptcy Case (Doc. No. 42, 48).

C. Management and Control and Operation of the Reorganized Debtor.

The operations of the Reorganized Debtor will continue to be overseen by the Debtor's board of directors, which may change based on election procedures set forth in the Declarations. On the Effective Date, the Board Members shall be the same as the Petition Date and as follows: (a) Mike Panko (President); (b) Issa Bataresh (Vice President); (c) Susan Ballou (Secretary); (d) Louis Hamilton (Treasurer); and (e) Ahmed Abualsamid.

D. Procedures For Resolving Disputed Claims.

1. Prosecution of Objections to Claims.

Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, and except as otherwise provided in the Plan, the Debtor, or Reorganized Debtor as the case may be, shall have the exclusive right to make and file objections to all Claims, other than those claims deemed as "Allowed" under the terms of the Plan. All objections commenced prior to the Confirmation Date shall be finished by the Reorganized Debtor.

Pursuant to the Plan, unless another time is set by order of the Bankruptcy Court, all objections to Claims shall be filed with the Bankruptcy Court and served upon the Holders of each of the Claims to which objections are made within 90 days after the Effective Date.

Except as may be specifically set forth in the Plan, nothing in the Plan, the Disclosure Statement, the Confirmation Order, or any order in aid of Confirmation, shall constitute, or be deemed to constitute, a waiver or release of any claim, cause of action, right of setoff, or other legal or equitable defense that either Debtor had immediately prior to the commencement of the Bankruptcy Cases against or with respect to any Claim or Equity Interest, with the exception of claims against any creditor who holds a stipulated and Allowed Claim under the Plan. Except as set forth in the Plan, upon Confirmation the Reorganized Debtor shall have, retain, reserve and be

entitled to assert all such claims, Causes of Action, rights of setoff and other legal or equitable defenses that either Debtor had immediately prior to the commencement of the Bankruptcy Case as if the Bankruptcy Case had not been commenced.

2. Estimation of Claims.

Pursuant to the Plan, the Debtor may, at any time, request that the Bankruptcy Court estimate any contingent, disputed, or unliquidated Claim pursuant to § 502(c) of the Code, regardless of whether the Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection; and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event the Bankruptcy Court estimates any contingent, disputed, or unliquidated Claim, that estimated amount will constitute either the Allowed Amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtor may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim.

3. Cumulative Remedies.

In accordance with the Plan, all of the aforementioned Claims objections, estimation, and resolution procedures are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court. Until such time as an Administrative Claim, Claim, or Equity Interest becomes an Allowed Claim, such Claim shall be treated as a Disputed Administrative Claim, Disputed Claim, or Disputed Equity Interest for purposes related to allocations, distributions, and voting under the Plan.

4. Payments and Distributions on Disputed Claims.

As and when authorized by a Final Order, Disputed Claims that become Allowed Claims shall be paid by the Reorganized Debtor such that the Holder of such Allowed Claim receives all payments and distributions to which such Holder is entitled under the Plan in order to bring payments to the affected Claimants current with the other participants in the particular Class in question. Except as otherwise provided in the Plan, no partial payments and no partial distributions will be made with respect to a Disputed Claim until the resolution of such dispute by settlement or Final Order. Unless otherwise agreed to by the Reorganized Debtor or as otherwise specifically provided in the Plan, a Creditor who holds both an Allowed Claim and a Disputed Claim will not receive a distribution until such dispute is resolved by settlement or Final Order.

5. Allowance of Claims and Interests.

(i) Disallowance of Claims.

According to the Plan, all Claims held by entities against whom the Debtor has obtained a Final Order establishing liability for a Cause of Action under §§ 542, 543, 522(f), 522(h), 544, 545, 547, 548, 549, or 550 of the Code shall be deemed disallowed pursuant to § 502(d) of the Code, and Holders of such Claims may not vote to accept or reject the Plan, both consequences to be in effect until such time as such causes of action against that entity have been settled or resolved by a Final Order and all sums due the Debtor by that Entity are turned over to the Debtor. The Debtor reserves and shall have the exclusive right and authority to bring any Causes of Action before and after the Effective Date.

(ii) Allowance of Claims.

Except as expressly provided in the Plan, no Claim or Equity Interest shall be deemed Allowed by virtue of the Plan, Confirmation, or any Order of the Bankruptcy Court

in the Bankruptcy Cases, unless and until such Claim or Equity Interest is deemed Allowed under the Code or the Bankruptcy Court enters a Final Order in the Bankruptcy Cases allowing such Claim or Equity Interest

6. Controversy Concerning Impairment.

If a controversy arises as to whether any Claims or Equity Interests or any Class of Claims or Equity Interests are Impaired under the Plan, the Bankruptcy Court, after notice and a hearing, shall determine such controversy before the Confirmation Date. If such controversy is not resolved prior to the Effective Date, the Debtor's interpretation of the Plan shall govern.

ARTICLE VII – MISCELLANEOUS.

A. Authority to Effectuate the Plan.

Upon the entry of the Confirmation Order by the Bankruptcy Court, the Plan provides that all matters provided for under the Plan will be deemed to be authorized and approved without further approval from the Bankruptcy Court. The Reorganized Debtor shall be authorized, without further application to or order of the Bankruptcy Court, to take whatever action is necessary to achieve consummation and carry out the Plan.

B. Post-Confirmation Status Report.

Pursuant to the Plan, within 90 days of the entry of the Confirmation Order, the Debtor will file a status report with the Bankruptcy Court attaching a detailed accounting of all payments made under the Plan and explaining what progress has been made toward consummation of the confirmed Plan. The status report will be served on the United States Trustee, and those parties who have requested special notice post-confirmation. The Bankruptcy Court may schedule subsequent status conferences in its discretion.

C. Preservation, Prosecution, and Defense of Causes of Action.

Except as set forth herein, upon Confirmation, the Reorganized Debtor (the Creditor Trust shall have the same standing as the Debtor) shall have, retain, reserve and be entitled to assert all such claims, Causes of Action, including all pending adversary proceedings, whether or not such causes of action have been commenced as of the Effective Date, and shall be substituted as the real party-in-interest in any such actions commenced by or against the Debtor or Bankruptcy Estate. The Reorganized Debtor shall prosecute or defend, as appropriate, such actions through final judgment, any appeals deemed necessary and appropriate by the Reorganized Debtor and collection; provided, however, that the Reorganized Debtor shall be authorized at any point in any litigation (a) to enter into such settlements as the Reorganized Debtor deems to be in the best interest of creditors, subject to Bankruptcy Court approval after notice and a hearing in accordance with Bankruptcy Rule 9019; or (b) to abandon, dismiss and/or decide not to prosecute any such litigation if the Reorganized Debtor deems such action to be in the best interest of creditors without Bankruptcy Court or other approval. Debtor does not believe there are any Causes of Action to pursue other than those identified on Debtor's Schedule B.

D. Retention of Professionals.

The Reorganized Debtor may retain professionals on such terms as it deems reasonable without Bankruptcy Court approval subject to the Declarations.

E. Conditions to Effectiveness.

The Effective Date shall occur upon the conditions set forth in this Plan. However, the Effective Date shall not occur until the entry of the Confirmation Order by the Bankruptcy Court in form and content acceptable to the Debtor and expiration of the appeal period with respect to the Confirmation Order without the filing of a notice of appeal of such Order; *provided, however,*

that, if an appeal of the Confirmation Order is filed but no stay is granted in connection with the appeal, the Debtor may in writing elect to permit the Effective Date to occur notwithstanding the pendency of the appeal. The Effective Date shall automatically occur without further order of the Bankruptcy Court, provided that all of the conditions to effectiveness of the Plan set forth herein have been met.

F. Police Power.

Nothing in this Article VII shall be deemed to effect, impair, or restrict any federal or state governmental unit from pursuing its police or regulatory enforcement action against any person or entity, other than to recover monetary claims against the Debtor for any act, omission, or event occurring prior to Confirmation Date to the extent such monetary claims are discharged pursuant to § 1141 of the Code.

G. Revocation and Withdrawal of this Plan.

The Debtor reserves the right to withdraw this Plan at any time before entry of the Confirmation Order. If (i) the Debtor revokes and withdraws this Plan, (ii) the Confirmation Order is not entered, (iii) the Effective Date does not occur, (iv) this Plan is not substantially consummated, or (v) the Confirmation Order is reversed or revoked, then this Plan shall be deemed null and void.

H. Modification of Plan.

The Debtor may seek to amend or modify the Plan in accordance with § 1127(b) of the Code to remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of this Plan.

On or before substantial consummation of the Plan, the Debtor may issue, execute, deliver, or file with the Bankruptcy Court, or record any agreements and other documents, and take

any action as may be necessary or appropriate to effectuate, consummate and further evidence the terms and conditions of the Plan.

I. Retention of Jurisdiction.

After the Effective Date, the Reorganized Debtor will be free to perform all functions assigned to it herein without approval of the Bankruptcy Court, except as specifically set forth herein. The itemization below is in no way meant to limit, restrict, or circumscribe the inherent jurisdictional authority of the Bankruptcy Court. Confirmation of the Plan acts as consent of the parties to agree to the Bankruptcy Court's ability to enter binding final judgments and rulings as the Bankruptcy Court will continue to retain jurisdiction in this Bankruptcy Case to determine or take the following actions:

1. All objections to the allowance of Claims and Interests and the compromise of Claims;
2. All applications for allowance of compensation and reimbursement of out-of-pocket expenses of professionals retained in Debtor's case by Order of the Bankruptcy Court to the extent that such compensation and out-of-pocket expenses relate to services performed before the Confirmation Date; provided, however, that fees of professionals for services rendered after the Effective Date may be paid by the Debtor or the Reorganized Debtor, as applicable, in the ordinary course of business without a Bankruptcy Court order; provided, further, however, in the event that an objection is made as to post-Confirmation Date requested fees or expenses, application shall be made to the Bankruptcy Court for allowance of such fees and expenses;
3. Any adversary proceedings or contested matters brought by the Debtor or the Reorganized Debtor (the "Causes of Action"), the proceedings then pending or thereafter brought

pursuant to §§ 544, 545, 547, 548, 549, and 550 of the Code, or other proceedings calculated to generate payments to Holders of Allowed Class 1 Claims;

4. All controversies and disputes arising under or in connection with the Plan;
5. The enforcement and interpretation of the provisions of the Plan;
6. To issue such orders in aid of execution and consummation of the Plan as may be necessary and appropriate;
7. Any motion to modify the Plan in accordance with Code § 1127, or to correct any defect, cure any omission, or reconcile any inconsistency in the Plan, Disclosure Statement, or any Confirmation Order as may be necessary to carry out the purposes of the Plan;
8. All Claims arising from the rejection of any executory contract or lease;
9. Such other matters as may be provided for in the Code or the Plan;
10. To protect the Property of the Estate from adverse claims or interference inconsistent with the Plan;
11. To ensure that Distributions are accomplished as provided herein and to resolve any dispute concerning the right of any person to a Distribution hereunder, applicable law or under a contract or agreement; and
12. To hear and determine any action or controversy by or against the Liquidating Debtor.

J. Headings.

Article, Section, and Paragraph headings used herein are for convenience only and shall not affect the interpretation or construction of any provision of this Plan.

K. Confirmation Without Acceptance by all Impaired Classes: "Cramdown."

Debtor reserves its rights to confirm using cramdown procedures set forth under 11 U.S.C. §§ 1129(b) and 1191.

L. Notices.

All notices required or permitted to be made in accordance with the Plan shall be in writing and shall be delivered personally or by facsimile transmission or mailed by United States Mail to the following:

Counsel for the Debtor:

Justin M. Luna, Esq.
Latham, Luna, Eden & Beaudine, LLP
111 E. Magnolia Ave., Suite 1400
Orlando, Florida 32801

Debtor:

Ellingsworth Residential Community Association, Inc.
c/o Community Management Specialists
71 S. Central Avenue
Oviedo, FL 32765

United States Trustee:

George C. Young Federal Building
400 West Washington Street, Suite 1100
Orlando, Florida 32801

Subchapter V Trustee

Mr. Todd Budgen, Esq.
PO Box 520546
Longwood, Florida 32752

M. Manner of Payment.

The Subchapter V Trustee shall make all payments and distributions required under the terms of the Plan if the case is confirmed under Section 1191(b). The Debtor shall make all

payments and distributions required under the terms of this Plan if the case is confirmed under Section 1191(a). Any fees and expenses incurred by the Subchapter V Trustee in connection with the distribution of Plan Payments, as applicable, shall be detailed in quarterly fee applications (the “Quarterly Fee Reports”) filed with the Court on negative notice. Upon approval of the fees and costs detailed in the Subchapter V Trustee’s Quarterly Fee Reports, the approved fee and expense awards shall be deducted from, and charged against, the Distributions made by the Subchapter V Trustee in accordance with the terms of the Plan.

N. Compliance with Tax Requirements.

In connection with this Plan, to the extent applicable, the Reorganized Debtor in making Distributions shall comply with all tax withholding and reporting requirements imposed on it by any governmental unit, and all Distributions pursuant to this Plan shall be subject to such withholding and reporting requirements. The Reorganized Debtor may withhold the entire Distribution due to any holder of an Allowed Claim until such time as such holder provides to the Reorganized Debtor, the necessary information to comply with any withholding requirements of any governmental unit. Any property so withheld will then be paid by the Reorganized Debtor to the appropriate authority. If the Holder of an Allowed Claim fails to provide to the Reorganized Debtor the information necessary to comply with any withholding requirements of any governmental unit within six months after the date of first notification by the Reorganized Debtor to the holder of the need for such information or for the Cash necessary to comply with any applicable withholding requirements, then the Holder’s Distribution shall be treated as an undeliverable distribution in accordance with the below. The payment of all taxes on all Distributions shall be the sole responsibility of the distributee.

O. Transmittal of Distributions to Parties Entitled Thereto.

All Distributions by check shall be deemed made at the time such check is duly deposited in the United States mail, postage prepaid. All Distributions by wire transfer shall be deemed made as of the date the Federal Reserve or other wire transfer is made. Except as otherwise agreed with the holder of an Allowed Claim in respect thereof or as provided in this Plan, any property to be distributed on account of an Allowed Claim shall be distributed by mail upon compliance by the Holder with the provisions of this Plan to (i) its address set forth in its proof of claim, (ii) the latest mailing address filed for the holder of an Allowed Claim entitled to a distribution, (iii) the latest mailing address filed for a holder of a filed power of attorney designated by the Holder of such Allowed Claim to receive distributions, (iv) the latest mailing address filed for the Holder's transferee as identified in a filed notice served on the Debtor pursuant to Bankruptcy Rule 3001(e), or (v) if no such mailing address has been filed, the mailing address reflected on the Schedules or in the Debtor's books and records.

P. Distribution of Unclaimed Property.

Except as otherwise provided in this Plan, any property (Cash or otherwise) to be distributed under this Plan that is unclaimed after six months following the relevant distribution date shall be forfeited, and such distribution, together with all interest earned thereon, shall become an Asset to be distributed and conveyed to Holders of Class 2 Claims in accordance with the provisions of this Plan. However, checks issued by the Reorganized Debtor with respect to Allowed Class 2 Claims will be null and void if not cashed within sixty days of the date of issuance and such unclaimed distribution shall vest with the Middle District of Florida Bankruptcy Pro Se Clinic. Requests for re-issuance of any such check shall be made in writing to the Reorganized Debtor by the Holder of the Claim with respect to the check originally issued.

Q. Transfer Taxes.

Pursuant to Section 1146(a) of the Bankruptcy Code, the issuance, distribution, transfer or exchange of any security or the making, delivery, or recording of any instrument of transfer pursuant to, in implementation of, or as contemplated by the Plan or any Plan Document, or any transaction arising out of, contemplated by, or in any way related to the foregoing, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangible or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local government officials or agents shall be, and hereby are, directed to forego the collection of any such tax or governmental assessment and to accept for filing and recording any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

R. Default and Remedies of Allowed Claimholders.

In the event any Allowed Claimholder is not timely paid in accordance with the Plan, such Allowed Claimholder shall provide the Debtor and the Subchapter V Trustee with written notice of said payment default (the “Default”). The Debtor shall have ten (10) days from receipt of the Default notice to cure the Default. If the Debtor fails to timely cure the Default, the Allowed Claimholder may seek relief from the Bankruptcy Court to enforce this Plan, file for such relief related to the Plan in any state court of competent jurisdiction or such further relief that may be available to such Allowed Claimholder under Federal or applicable state law.

VIII. CONCLUSION

If the Plan is *not* confirmed and consummated, the Debtor believes the most likely alternative is a liquidation of the Debtor under Chapter 7 of the Code. In a Chapter 7 liquidation, a Chapter 7 trustee would incur additional Administrative Expenses that would be paid before any distribution to creditors and would result in a violation of the Declarations, destroy the obligations owed to Equity

Owners under the Declaration and would result in no additional value to claimholders. Additionally, the Owners could likely amend the Declaration to limit its responsibilities to only those that cannot be abrogated from. The Debtor therefore believes that liquidation of its personal property in a Chapter 7 case would dramatically reduce the total amount available to Creditors as compared to reorganization under this Plan. Thus, the Debtor recommends that holders of Claims and Interests vote to accept the Plan. Please refer to the liquidation analysis attached hereto as Exhibit "B" for an overview of potential distributions to creditors in a Chapter 7 liquidation.

RESPECTFULLY SUBMITTED this 9th day of September, 2020.

/s/ Justin M. Luna

Justin M. Luna, Esq.

Florida Bar No. 0037131

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Daniel A. Velasquez, Esq.

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Orlando, Florida 32801

Tel: 407-481-5800

Fax: 407-481-5801

Attorneys for the Debtor

EXHIBIT “A”

Ellingsworth Residential Community Association, Inc.
Cash Flow Projections and Projected Disposable Income

Ellingsworth Residential Community Association, Inc.													
Cash Flow Projections and Projected Disposable Income													
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
OPERATING FUNDS 1ST OF THE MONTH *	20,000.00	34,872.05	4,930.93	10,448.86	31,143.75	15,379.89	7,115.93	17,547.13	7,283.31	(1,331.61)	17,344.82	3,531.00	2021 2022
Operating funds - (OLD Management)	14,871.61												
Special Assessment Account			11,550.21										
Reserve Funds	38,777.17	38,780.14	40,918.34	43,039.68	45,161.02	47,282.36	49,403.70	51,525.04	53,646.38	55,767.72	57,889.06	60,010.40	
Reserve Interest	2.97	11.03	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Reserve Bank Fees													
Total Reserve Cash	38,780.14	38,791.17	40,925.34	43,046.68	45,168.02	47,289.36	49,410.70	51,532.04	53,653.38	55,774.72	57,896.06	60,017.40	
Total Cash	73,651.75	73,663.22	45,856.27	53,495.54	76,311.77	62,669.25	56,526.63	69,079.17	60,936.69	54,443.11	75,240.88	63,548.40	
FUNDS RECEIVED:													
Assessments		4,810.00	13,066.85	23,520.00			23,520.00			26,460.00			91,376.85
Special Assessment		11,550.00	5,000.00	5,000.00									159,969.6
Interest Checking Account	0.44	1.76	0.42	0.48	0.48	0.38	0.54	0.52	0.42	0.52	0.52	0.50	6.54
Interest Special Assessment Account		0.21											11.76
Miscellaneous Income**		1,979.00	-										
Interest Charged Against AIR													1,979.00
CAIC (Capital Contribution)													
Total Funds Received	0.44	18,340.97	18,067.27	28,520.48	31,144.23	15,380.27	30,636.47	17,547.65	7,283.73	25,128.91	17,345.34	3,531.50	
TOTAL FUNDS AVAILABLE	0.44	53,213.02	22,998.20	38,969.34									141,089.54
													161,960.36
DISBURSEMENTS:													
General & Administrative													
Management Fees	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	12000
Gate Remotes		600.00											600
Accounting Fees	225.00												250
Bank Coupons													250
Insurance			4,775.00		8,000.00		5,325.00						600
Postage/Supplies/Copies	121.35		75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	10000
Bank Coupons and Postage													900
Corp. Report			61.25										1000
Social Expenses													65
Legal Fees		26,717.00											5000
Admin Claims Payment							2,500.00				2,500.00		5000
Other Gen & Admin Expenses			60.00										250
General & Administrative	27,963.35	6,310.00	875.00	936.25	8,875.00	875.00	8,200.00	3,375.00	875.00	875.00	3,375.00	2,270.00	40665
Utilities													
Water				330.00	330.00	330.00	330.00	330.00	330.00	330.00	330.00	330.00	3500
Electricity		2,247.91	1,385.00	1,385.00	1,385.00	1,385.00	1,385.00	1,385.00	1,385.00	1,385.00	1,385.00	1,385.00	4000
Telephone - Entrance Gate /DSL		711.28	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	18000
Utilities		2,959.19	1,985.00	2,315.00	2,315.00	2,315.00	2,315.00	2,315.00	2,315.00	2,315.00	2,315.00	2,315.00	20000
													7000
													7300
													31300
Landscaping/Grounds Maintenance													
Landscape Contract/Improvements	3,070.00	1,535.00	1,535.00	1,535.00	1,535.00	1,535.00	1,535.00	1,535.00	1,535.00	1,535.00	1,535.00	1,535.00	21000
Misc. Improvements													1500
Fert/Weed/Pest Control	530.00	330.00	330.00	330.00	330.00	330.00	330.00	330.00	330.00	330.00	330.00	330.00	4200
Annuals													
Mulch													
Irrigation Maint./Repair				320.00	320.00	320.00	320.00	320.00	320.00	320.00	320.00	320.00	1000
Pond/Lakes Treatment	195.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	3500
Fountains						500.00					300.00		3200
Tree Trimming													
Backflow Inspections													
Sidewalk/Concrete Repairs													
Electrical Repairs													1000
Misc. Grounds/ Fencing													500
													500
Maintenance		3,795.00	2,140.00	2,460.00	2,460.00	2,980.00	2,460.00	2,460.00	3,311.00	2,780.00	5,010.00	2,460.00	36400
Repairs/Maintenance													
Gate Repairs													
Camera repair/Main.													

* Projected \$16,000.00 Funds Available for January-June 2023

EXHIBIT “B”

ELLINGSWORTH RESIDENTIAL COMMUNITY ASSOCIATION, INC.
Case No.: 6:20-bk-01346-KSJ

LIQUIDATION ANALYSIS

<u>Asset</u>	Estimated Liquidation Value as of May 20, 2020
Cash ¹	\$82,295.59
Accounts Receivable ²	\$13,951.94
Machinery, Equipment and Vehicles	\$0.00
Furniture, Fixtures and Equipment	\$0.00
Real Property	\$0.00
TOTAL LIQUIDATION	\$97,494.03
Secured Debt	\$0.00
Administrative: Chapter 7 ³	\$25,000.00
Administrative: Chapter 11 (including Sub-Chapter V Trustee)	\$35,000.00 ⁴
Priority and Secured Tax Claims	\$0.00
TOTAL DEBT	\$60,000.00
AVAILABLE FOR GENERAL UNSECURED CREDITORS	\$37,494.03

¹ Over 60 days as of April 30, 2020.

² As of April 30, 2020.

³ Assumes assets in the form of Causes of Action and Accounts Receivable.

⁴ Up to \$100,000.00 if Contested Matters Ensur

EXHIBIT 2

Distribution Schedule

Class 1	TBD in accordance with the terms of Class 1
Administrative Claims	Subchapter V Trustee: payable in three (3) equal monthly installments
Priority Tax Claims	\$0.00
Quarterly Trustee Fees	N/A