

UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF FLORIDA  
ORLANDO DIVISION

In re:

Muniraj Enterprises, Inc.  
d/b/a Hawthorn Suites Orlando Convention Center

Case No.: 6:11-bk-10907-ABB  
Chapter 11

\_\_\_\_\_  
Debtors. \_\_\_\_\_ /

**DEBTOR'S CHAPTER 11 PLAN OF REORGANIZATION**

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## ARTICLE I SUMMARY

This is the Chapter 11 Plan of Reorganization for the case of **Muniraj Enterprises, Inc.**, a Florida corporation (the “**Debtor**” or “**Muniraj**”). The Debtor filed its Voluntary Petition for Relief in the Middle District of Florida, United States Bankruptcy Court (the “**Court**”), Case No. 6:11-bk-10907-ABB (the “**Bankruptcy Case**”) under Chapter 11 of the Code on July 18, 2010, (the “**Petition Date**”).

This Plan of Reorganization (the “**Plan**”) proposes to pay the secured creditors of the Debtor in full from the cash flow generated from future operations and future income. To the Debtor’s knowledge, this Plan complies with the applicable provisions of the Bankruptcy Code and the Debtor has complied with the applicable provisions of the Bankruptcy Code. The Debtor represents hereby that this Plan has been proposed in good faith and, to the Debtor’s knowledge, not by any means forbidden by law.

Where there is no agreement with a secured creditor, and an objection to the Debtor’s estimated value is made by a secured creditor, the Debtor will value the collateral securing the claim of the secured creditor with liens against the Debtor’s assets. Based on the valuation of the collateral, the secured creditor’s Claim shall be bifurcated into allowed secured claims and allowed unsecured claims.

After the Effective Date, allowed secured creditors’ claims will be paid 100% (the full value) of their allowed amount. This Plan also provides for the full payment of administrative and priority claims on the Effective Date of the Plan, unless otherwise agreed to by the parties.

All creditors and equity security holders should refer to **Articles III through V** of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan.

**Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

**ARTICLE II**  
**CLASSIFICATION OF CLAIMS AND INTERESTS**

Class 1 – Priority Claims. All allowed claims entitled to priority under § 507 of the Code (except administrative expense claims under § 507(a)(2), and priority tax claims under § 507(a)(8)).

**Secured Claims:**

Class 2 – Orange County Tax Collector.

Orange County Tax Collector claims a statutory lien on the real property located at 6435 Westwood Blvd., Orlando, FL 32821 (the “**Real Property**”), to the extent such secured claim is allowed as a secured claim under § 506 of the Code.

Class 3 – Community South Bank.

Community South Bank claims a first lien on the Real Property and the Debtor’s personal property (the “**Personal Property**”), to the extent such secured claim is allowed as a secured claim under § 506 of the Code.

Class 4 – Florida First Capital Finance Corporation.

Florida First Capital Finance Corporation, the Debtor’s SBA lender, claims a second lien on the Real Property and the Personal Property, to the extent such secured claim is allowed as a secured claim under § 506 of the Code.

Class 5 - General Unsecured Claims. All General Unsecured Claims except for the claim of Mahendra Patel allowed under § 502 of the Code not otherwise classified herein.

Class 6 – Mahendra Patel. The Unsecured Claim of Mahendra Patel allowed under § 502 of the Code not otherwise classified herein.

Class 7 - Equity interests of the Debtor. All equity interests in the Debtor.

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

3.01 Unclassified Claims. Under section §1123(a)(1), administrative expense claims, and priority tax claims are not in classes.

3.02 Administrative Expense Claims. Each holder of an allowed administrative expense claim will be paid the allowed amount of such claim in cash in full satisfaction,

settlement, release, extinguishment and discharge of such claim on the Effective Date of this Plan (as defined in Article VII), or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.

**Estimated** Allowed Administrative Expense Claims are set forth below:

<b>Holder</b>	<b>Amount</b>
McIntyre, Panzarella, Thanasides	\$15,000.00
<b>Total</b>	<b>\$15,000.00</b>

3.03 **Priority Tax Claims.** Each holder of an allowed priority tax claim will be paid a pro rata portion their Allowed claim, in payments over a period not exceeding five years from the date of the order for relief of a total value, as of the Effective Date, equal to 100% of the allowed amount of such claim.

**Estimated Priority Tax Claims**

<b><u>Scheduled Amount</u></b>	<b><u>POC Amount</u></b>
None.	Approximately \$500.00

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

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

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

Class	Impairment	Treatment
<b>Class 1 - Priority Claims</b>	Unimpaired	Holders of allowed Class 1 claims shall be paid in full, within 30 days of the Effective Date of the Plan.
<b>Secured Claims</b>		
<b>Class 2 – Orange County Tax Collector</b> (statutory lien on Debtor’s real property)	Unimpaired	The Class 2 Secured Claim of <b>Orange County Tax Collector</b> will be paid in full via equal monthly installments over 60 months beginning 30 days from the Effective Date amortized over 60 months with a 5.25% interest rate.
<b>Class 3 – Community South Bank</b> (1 <sup>st</sup> mortgage on Debtor’s real and personal property)	Impaired	<p>The Class 3 Secured Claim of <b>Community South Bank</b> will be allowed in its entire amount.</p> <p>The terms of the loan documents between the Debtor and Community South Bank shall be modified as follows:</p> <ol style="list-style-type: none"> <li>1. The loan will mature 20 years from the Effective Date.</li> <li>2. The monthly loan payments will be amortized over 20 years.</li> <li>3. The interest rate will be 5.25%.</li> <li>4. The first monthly payment will be due 30 days from the Effective Date of the Plan.</li> </ol> <p>The Debtor will pay the Class 3 Claimant any recovery it obtains from the pursuit of preferential payment recoveries, less fees, toward the outstanding principal amount owed to the Class 3 Claimant within 15 days of receipt of any such recovery.</p>
<b>Class 4 – Florida First Capital Finance Corporation (SBA Lender)</b> (2 <sup>nd</sup> mortgage on Debtor’s real and personal property)	Impaired	<p>The Class 4 Secured Claim of <b>Florida First Capital Finance Corporation</b> will be allowed in its entire amount.</p> <p>The terms of the loan documents between the Debtor and Florida First Capital Finance Corporation shall be modified as follows:</p> <ol style="list-style-type: none"> <li>1. The Debtor will make payments of \$7,500.00 per month on the loan for a period of 5 years following the Effective Date of the Plan.</li> <li>2. Following expiration of the 5 year anniversary of</li> </ol>

		<p>the Effective Date of the Plan, the Debtor will resume paying the Pre-Petition monthly installment payments until the loan is paid in full or otherwise matures, at which time the entire balance will become due and payable.</p> <p>The first payment will be due 30 days from the Effective Date of the Plan.</p>
<b>Class 5 – General Unsecured Creditors</b>	Unimpaired	The Allowed Class 5 <b>General Unsecured Creditors</b> claims shall be paid in full, with no interest via equal monthly installments of \$2,500 beginning 30 days from the Effective Date until paid in full.
<b>Class 6 – Mahendra Patel</b>	Impaired	The Allowed Class 6 Unsecured Claim of <b>Mahendra Patel</b> shall be paid via monthly installments of \$2,500 following payment in full of the Class 5 General Unsecured Creditors.
<b>Class 7 – Equity Security Holders of the Debtors</b>	Unimpaired	Existing membership interests shall be cancelled and 100% of the membership interest shall be issued to the current equity holders in their current allocation on the Effective Date.

**ARTICLE V**  
**ALLOWANCE AND DISALLOWANCE OF CLAIMS**

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

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

5.03 Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

**ARTICLE VI**  
**PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

6.01 Assumed Executory Contracts and Unexpired Leases.

(a) The Debtor will assume all executory contracts and/or unexpired leases not rejected by the Debtor prior to the confirmation hearing.

(b) Upon the Effective Date of the Plan, the Debtor will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed under section 6.01(a) above, or before the date of the order confirming this Plan. A proof of a claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than thirty (30) days after the date of the order confirming this Plan.

**ARTICLE VII**  
**MEANS FOR IMPLEMENTATION OF THE PLAN**

The Debtor's Plan will be implemented through continued operation and management of the Debtor's hotel. The Debtor will be able to effectively reorganize through this Plan by reducing the interest rate on its first mortgage from 8.43% to 5.25% and re-amortizing the payments over 20 years, as well as obtaining relief from its second mortgage lender in the form of a significantly lower payment during the five year Plan term. Furthermore, the Debtor intends to pay the General Unsecured Creditors in full.

The Debtor's current cash flow, combined with the expected recovery from preferential transfers totaling an estimated \$300,000 will enable the Debtor to pay for the significant near term expected expenses including real property taxes and capital expenditures to remain in compliance with the Debtor's franchise.

A more detailed description of the assumptions made with respect to the implementation of this Plan, including financial information, is contained in the Disclosure Statement to this Plan of Reorganization filed concurrently herewith.

**ARTICLE VIII**  
**GENERAL PROVISIONS**

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

8.02 Effective Date. The Effective Date of this Plan is the 15th day following the date of the entry of the order of confirmation. But if a stay of the confirmation order is in effect on

that date, the Effective Date will be the first business day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

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

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

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

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

## **ARTICLE IX** **DISCHARGE**

9.01. Reorganized Debtor. Except as otherwise expressly provided in this Plan or in the order confirming this Plan, as may be amended or modified (the “**Confirmation Order**”), the Confirmation Order shall operate as a discharge, pursuant to Section 1141(d) of the Bankruptcy Code, to the fullest extent permitted by applicable law, as of the Effective Date of the Plan, of any and all debts of, and claims of any nature whatsoever against the Debtor that arose at any time prior to the Confirmation Date, including any and all claims for principal and interest, whether accrued before, on or after the Petition Date.

## **ARTICLE X** **RETENTION OF JURISDICTION**

10.01. Retention of Jurisdiction. Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, until the reorganization case is closed, the Bankruptcy Court shall retain the most complete and most extensive jurisdiction of the reorganization case that is permitted by applicable law, including any and all actions necessary to ensure that the purposes and intent of the Plan are carried out.

**ARTICLE XI**  
**OTHER PROVISIONS**


11.01. Modification of Plan. The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require circulation of a new disclosure statement to and/or re-voting on the Plan by any class of claims treated in less favorably by any such modified Plan. The Plan Proponent may also seek to modify the plan at any time after confirmation only if (1) the Plan has not been substantially consummated; and (2) the Court authorizes the proposed modification after notice and a hearing.

11.02. Final Decree. Once the Estate has been fully administered, as provide in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall designate in the Plan Confirming Order, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

[Signature Page Follows]

Respectfully submitted,

**MUNIRAJ ENTERPRISES, INC.**

By:   
Rajendra Patel, President