

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF COLORADO**

In re:

Soaring Eagles Townhomes Association, Inc.

EIN: [REDACTED]

Debtor.

Case No. 26-15148 TBM

Chapter 11

**MOTION FOR ORDER AUTHORIZING REJECTION OF MANAGEMENT
AGREEMENT AS OF JULY 31, 2026**

**PARTIES RECEIVING THIS LEASE AND/OR EXECUTORY CONTRACTS
MOTION SHOULD LOCATE THEIR NAMES AND LEASE AND/OR
EXECUTORY CONTRACTS BELOW:**

**ROWCAL MANAGEMENT CO., LLC
COMMUNITY MANAGEMENT SERVICES COORDINATION PROPOSAL
WITH COMMENCEMENT DATE OF MAY 1, 2024**

Debtor-in-Possession Soaring Eagles Townhomes Association, Inc. (“Debtor”) through its counsel, moves the Court pursuant to 11 U.S.C. § 365 and Fed. R. Bank. P. 6006 for an order rejecting certain leases and unexpired contacts and in support thereof states as follows:

MOTION

1. On July 16, 2026 (the “Petition Date”), Debtor filed its voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”) in the United States Bankruptcy Court, District of Colorado (the “Bankruptcy Court”). [Docket No. 1].

2. Debtor is a Colorado nonprofit corporation organized and established to operate a 150-unit residential townhome community located in El Paso County, Colorado known as “The Soaring Eagles Townhomes.”

3. Debtor and RowCal entered into a Community Management Services Coordination Proposal effective May 1, 2024 (the “Management Agreement”). In accordance with the Management Agreement, Debtor sent RowCal Management a written “30-Day Notice of Termination” on June 30, 2026, to terminate the

Management Agreement effective July 31, 2026. Through this Motion, Debtor seeks to reject any and all unexpired contracts with RowCal Management Co., LLC (“RowCal Management”) as of July 31, 2026.

4. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession, “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor.”

5. The standard governing motions to assume or reject unexpired leases and executory contracts is the business judgment test, which only requires showing that the proposed course of action will benefit the estate. *See In re Mile High Medal Sys., Inc.*, 899 F.2d 887, 896 n.13 (10th Cir. 1990); *In re Grayhall Resources, Inc.*, 63 B.R. 382, 384 (Bankr. D. Colo. 1986).

6. The business judgment test in the context of Section 365 “is not an onerous one,” *Citizens Nat’l Bank v. Selma Properties, Inc. (In re Crystalin, LLC)*, 293 B.R. 455, 463 (B.A.P. 8th Cir. 2003), but the Court must be satisfied that the Debtor’s decision is in the best interest of the estate. *Id.* at 464. Where otherwise supported by sound business judgment, the Court should not interfere with the Debtor’s decision except upon finding bad faith or a gross abuse of discretion. *Id.* (citing *Lubrizol Enter., Inc. v. Richmond Metal Finishers, Inc.*, 756 F.2d 1043, 1047 (4th Cir. 1985)).

7. Debtor has determined that any and all Management Agreements with RowCal Management are not in the best interest of the estate. Pre-petition Debtor sought to terminate the Management Agreement for cause and cause for such termination includes, but is not limited to, documented breaches which have led to litigation including insurance non-compliance, portal and communication failures, misrepresentations on status letters to owners, and an unauthorized \$100,000 transfer from Debtor’s reserve account to pay RowCal’s legal counsel. Further, Debtor interviewed and selected a new management company. Pre-petition Debtor entered into a management agreement with Ascent Community Partners, LLC. Debtor has determined in its sound business judgment that continuing the Management Agreement with RowCal Management would be burdensome and would provide no corresponding remaining benefit or utility to the Debtor’s estate. By rejecting the Management Agreement, Debtor’s estate can proceed with its chosen management company and regain control of its operations and saving associated costs.

8. Under Rule 6006, a proceeding to reject an unexpired lease, other than part of a plan, is governed by Rule 9014. Fed. R. Bankr. P. 6006(a). Rule 9014, in turn, requires “reasonable notice and opportunity for hearing.” Fed. R. Bankr. P. 9014(a). The notice period under Local Bankruptcy Rule 9013-1(a)(2)(B) is thus fourteen days.

9. “[T]he bankruptcy court has authority under section 365(d)(3) to set the effective date of reject at least as early as the filing date of the motion to reject.” *Stonebriar Mall, L.P. v. CCI Wireless, LLC (In re CCI Wireless, LLC)*, 297 B.R. 133, 140 (D. Colo. 2003); *see also Constant L.P. v. Jamesway Corp. (In re Jamesway Corp.)*, 179 B.R. 33, 37 (S.D.N.Y. 1995) (concluding that the bankruptcy court is not prohibited from “selecting a retroactive date for the effective date of rejection” of a lease).

10. “The plain language of section 365 does not mandate that the court’s order approving rejection of unexpired leases be a condition precedent to the effective date of the rejection.” *CCI Wireless*, 297 B.R. at 138. And the effective date is critical insofar as “the effective date of rejection determines when a debtor’s obligation to pay rent ceases.” *Pacific Shores Dev., LLC v. At Home Corp. (In re At Home Corp)*, 393 F.3d 1064, 1069 (9th Cir. 2004) (determining that bankruptcy court “permissibly allowed the debtor to reject [unexpired] leases as of the date on which the debtor filed its motion seeking to reject them.”)

11. Accordingly, Debtor seeks authorization from the Court to reject the Management Agreement, effective as of the end of the day on July 31, 2026, the date herein, even if the Court’s Order is not issued prior to that date.

12. An effective date of the end of the day on July 31, 2026, is fair to Debtor and RowCal Management because Debtor provided RowCal Management pre-petition 30-day notice on June 30, 2026 pursuant to the Management Agreement. Further, it allows the new management company to timely take over operations and in the best interest of Debtor’s estate.

WHEREFORE, the Debtor requests that the Court enter an order granting the authority to reject the Management Agreement with RowCal Management effective July 31, 2026, and granting such other and further relief as is just and equitable.

Dated July 20, 2026

Respectfully submitted,

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