

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF COLORADO**

In re:

SOARING EAGLES TOWNHOMES
ASSOCIATION, INC.,

Debtor.

Case No. 26-15148 TBM

Chapter 11, Subchapter V

DEBTOR'S PRE-STATUS CONFERENCE REPORT

Debtor-in-Soaring Eagles Townhomes Association ("Debtor"), through undersigned counsel, submits its Pre-Conference Status Report, pursuant to the Court's Order dated July 20, 2026 (Docket No. 12) as follows:

1. On July 16, 2026, Debtor filed its voluntary bankruptcy petition under Chapter 11 of the United State Bankruptcy Code, 11 U.S.C. § 101 *et seq.* Dkt. 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. The Soaring Eagles community sustained damage due to a hailstorm which occurred on or around August 1, 2024. Debtor, through its management company RowCal Management, LLC ("RowCal Management"), selected a bid from RowCal Construction & Maintenance CO LLC ("RowCal"). As a result of this Loss the Debtor issued a special assessment against the Units throughout the Community to pay the deductible applicable to the insurance claim for the Loss.

4. Approximately 19 homeowners disputed the Board's authority to levy a special assessment against the Units throughout the Community to pay the deductible applicable to the insurance claim for the Loss and/or the Board's authority to enter into contracts to repair the damage. Ultimately Debtor filed District Court Case No. 2024CV32121 in El Paso County District Court, styled *Soaring Eagles Townhomes Association, Inc. vs. The Precision Family Trust, et. al.* These The Defendants filed their Verified Answer and Counterclaims with Jury Demand

(“Answer”) to Association’s Verified Complaint November 7, 2025. In their Answer, the Defendants asserted counterclaims against the Association for Derivative Complaint for Declaratory Judgment, Derivative Complaint for Breach of Fiduciary Duty, Derivative Complaint for Breach of Contract, Derivative Complaint for Negligence, Breach of Fiduciary Duty, Breach of Contract/Covenant, Injunction, Failure to Disclose Hail Damage, Insurance and Special Assessment and Negligence.

5. Also asserted in these Defendants’ counterclaims were claims against Third-Party Defendants RowCal Management and RowCal Construction for Derivative Complaint for Unjust Enrichment, Breach of Contract and Breach of the Duty of Good Faith and Fair Dealing.

6. Pre-petition, Debtor and RowCal Construction, through counsel exchanged written communication regarding the untimely claim of RowCal’s Lien. As set forth in Debtor’s May 29, 2026 letter to RowCal Construction, attached hereto as **Exhibit A**,

A lien claimant must file before the expiration of four months after the day on which the last labor is performed or materials are furnished. C.R.S. § 38-22-109(4). Moreover, no trivial alteration or addition to such work shall be deemed a lack of completion nor would it postpone the running of the filing deadline for any lien. C.R.S. § 38-22-109(7); and May Dep’t Stores Co. v. Univ. Hills, Inc., 789 P.2d 434, 439 (Colo. App. 1989) (mechanic’s lien statutes require the filing of lien statements “at a specified time after the completion of the building, structure, or other improvement... (a)nd, a trivial imperfection in or omission from the work does not prevent the structure from being complete.”)

Enclosed are emails from RCM to the Association affirming completion of the work on November 14 and 18, 2025, respectively, e.g. providing “final reporting” and indicating the availability of the “week of 12/1 to complete a final walk-through of the property.” By RCM’s own admission, as more than four months has elapsed since its last work on the property, it is statutorily barred from filing a lien

against the Association's property and/or any Lot in the community.

See Exhibit A.

7. Despite disputes as to validity and timeliness of the mechanics' lien, among other things, RowCal Construction proceeded with filing an untimely blanket mechanics' lien on units located within the Community. RowCal did not apportion the mechanics' liens based on payment and even homeowners who paid in full received liens on their title.

8. On August 3, 2026, Notice of Perfection (or Continued Perfection) of Lien Pursuant to 11 U.S.C. Sec. 546(b)(2) was filed by RowCal Construction & Maintenance CO LLC. Dkt Nos. 31 and 32. On August 19, 20026, RowCal Construction filed its Motion for Relief from Stay On Mechanics Lien. Dkt No. 41. The Motion for Relief is set for a hearing on September 17, 2026 with a September 10, 2026 objection deadline.

9. Pre-petition Debtor sought to reject the management agreement with RowCal Management. On July 10, 2026, RowCal Management responded that the management agreement could not be terminated "while an outstanding balance remains owed to RowCal [Construction] and/or "RowCal Management.]" Debtor replied such termination was cause and "[c]ause for such termination includes, but it 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 the Association's reserve account to pay RowCal's legal counsel." Through this bankruptcy case, the Court granted Debtor's Motion to Reject the management agreement with RowCal Management effective July 31, 2026. Dkt. Nos. 14 and 40. Debtor is currently transitioning to a new management company, Assent Community Partners.

10. Debtor has concerns about the authenticity of the books and records provided by RowCal Management. Pre-petition Debtor received 2025 tax returns from RowCal Management, which were filed at Docket No. 23. Post-petition, IRS

notified Debtor that the IRS has not received corporate tax returns for 2022, 2025 and 2026. Debtor's current records may need to be audited.

11. Debtor anticipates a budget of approximately \$5,000.00 per month for professionals. In addition to his bankruptcy counsel, Debtor filed an application to employ Orten Cavanagh Holmes & Hunt, LLC as Special Counsel to Debtor, which was approved by the Court. Docket Nos. 25 and 34. In connection with this representation, Debtor filed a Motion Approve Retainer in the Amount of \$1,696 to Special Counsel. Dkt. No. 27. In addition, Debtor filed a Motion to Approve Retainer to in the amount of \$7,637 to undersigned bankruptcy counsel. Dkt. No. 29. The objection deadlines for both retainer motions expired on August 18, 2026. Debtor shall file certificate of non-contested matters with the Court for Docket Nos. 27 and 29.

12. At this stage, it is premature to determine whether a consensual plan of reorganization can be achieved. Post-petition Debtor held a virtual town hall meeting to update the Community regarding the bankruptcy filing and proof of claims process to ensure all claims can be address in its Plan. Debtor and RowCal Construction's counsel are engaged in discussions regarding the various claims and pending motions. Debtor is actively evaluating various alternatives to reach a global and consensual resolution with RowCal Construction, homeowners and related parties, which can facilitate the formulation and implementation of a feasible plan of reorganization. The period for Debtor to propose a plan of reorganization is October 14, 2026. Debtor anticipates that it will file a plan within the 90 days provided for under the Bankruptcy Code.

13. The deadline to file proofs of claim in this matter, as set by the Court, is September 24, 2026. The deadline for governmental units is January 12, 2027. Debtor attended the Initial Debtor Interview today. The Meeting of the Creditors is scheduled for August 25, 2026. UST's analyst and Debtor discussed proposed amendments at the Initial Debtor Interview. Debtor anticipates filing its amendments to the Statements and Schedules following the Meeting of Creditors and

prior to the Court's Status Conference, which was rescheduled to September 2, 2026.
Docket No. 21.

Wherefore, Debtor respectfully submits this Pre-Status Conference Report.

Dated August 20, 2026

Respectfully submitted,

/s/ Katharine S. Sender

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Counsel for Debtor

Certificate of Service

I certify that on the 20th day of August 2026, I electronically filed the foregoing, and a copy will be served via this Court's CM/ECF system on all parties entitled to notice.

/s/ Katharine S. Sender