

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE**

In re:

Hiawatha Manor Association, Inc.

Debtor.

Chapter 11

Case No. 25-01916

**DEBTOR’S MOTION FOR ENTRY
OF AN ORDER AUTHORIZING THE MAINTENANCE AND
CONTINUED USE OF EXISTING BANK ACCOUNTS**

The above-captioned debtor (the “*Debtor*”), by and through their undersigned counsel, files this motion (the “*Motion*”) seeking entry of an order authorizing the maintenance and continued use of existing bank accounts pursuant to sections 105 and 363 of title 11 of the United States Code (the “*Bankruptcy Code*”) and Rule 6004 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”), and, in support of this motion, the Debtor respectfully states as follows:

RELIEF REQUESTED

1. By this Motion the Debtor seeks entry of an order (the “*Order*”), substantially in the form attached hereto as **Exhibit A**, pursuant to sections 105(a) and 363 of the Bankruptcy Code and Rule 6004 of the Bankruptcy Rules authorizing: (a) the maintenance and continued use of the Debtor’s existing bank accounts (the “*Bank Accounts*”); and (b) a waiver of the Office of the United States Trustee’s (the “*U.S. Trustee*”) operating guidelines for debtors in possession (the “*U.S. Trustee Guidelines*”) relating to bank accounts.

JURISDICTION

2. The United States Bankruptcy Court for the Middle District of Tennessee (the “*Court*”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

3. The Debtor confirms its consent, pursuant to rule 7008 of the Bankruptcy Rules, to the entry of a final order by the Court in connection with this Motion to the extent that it is later

determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

4. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

5. Venue is proper in this court pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

6. On the date of this Motion (the “***Petition Date***”), the Debtor filed a voluntary petition for relief pursuant to chapter 11 of the Bankruptcy Code.

7. The Debtor continues to operate its business as a debtor in possession pursuant to sections 1107(a) and 1108 of title 11 of the Bankruptcy Code.

I. Original Ownership of the Properties.

1. The Debtor is a Tennessee not-for-profit corporation that holds and administers timeshare interests in that certain 47-unit (each a “***Unit***” and collectively, the “***Units***”) development located at 8005 Cherokee Trail, Crossville, Tennessee 37863, which is commonly known as the “Hiawatha Manor Resort” (“***Hiawatha East Property***”).

2. The Debtor also holds seventy (70) timeshare interests in that certain 70-unit development located at 8007 Cherokee Trail, Crossville, Tennessee 37863, which is commonly known as the “Hiawatha Manor West” (“***Hiawatha West Property***,” and together with Hiawatha East Property, the “***Properties***”).

3. The Debtor’s “sister” association, Hiawatha Manor West Association, Inc. (“***Hiawatha West***”), is a Tennessee not-for-profit corporation that holds and administers timeshare interests in real property known as “Hiawatha Manor West at Lake Tansi Village,” located in or around 8007 Cherokee Trail, Crossville, Tennessee 38572. The property was initially organized under Tennessee’s Horizontal Property Act by a Declaration of Horizontal Property Regime and Master Deed recorded on or about August 3, 1982.

4. The Hiawatha East Property was initially organized under Tennessee’s Horizontal Property Act by a Declaration recorded on or about July 1, 1979, followed by an additional Declaration for “Hiawatha Manor I” recorded on or about October 27, 1980 (collectively, the “*Declarations*”).

5. The Declarations were amended multiple times to clarify and expand the rights and obligations of timeshare owners, most recently by a “Fourth Amendment of the Declaration of Horizontal Property Regime and Master Deed for Hiawatha Manor I,” dated December 29, 2020. Together, these instruments authorized up to 88 condominium units—each subdivisible into weekly intervals—and established the Debtor’s authority to collect maintenance fees, enforce lien rights, set rules for owner voting, and manage the Property’s common elements.

6. Although the Declarations reference 88 condominium units, multiple buildings—A, F, G, H, I, and J—no longer physically exist. Only 41 units remain occupiable. The removed buildings continue to appear in the recorded documents as if they were intact, complicating any calculation of the supermajority required for amendments or termination. Their nominal existence inflates the total number of intervals and votes, making it nearly impossible to secure the threshold typically required under the Declarations.

II. Management of the Properties.

7. On or about March 24, 2018, the Debtor—together with Hiawatha West—engaged Crown Resorts Management LLC (“*Crown*”) to manage the Properties. During its tenure, Crown held numerous intervals on which it failed to remit maintenance fees, thereby aggravating the Debtor’s revenue shortfalls. Although Crown eventually deeded these intervals back to the Debtor, its prolonged nonpayment period contributed significantly to the Debtor’s financial distress.

8. On February 28, 2024, the Debtor replaced Crown with HPP Property Services, LLC d/b/a Lemonjuice Solutions (“*Lemonjuice*”), executing a Management and Repositioning

Services Agreement. Effective that same date, Lemonjuice assumed management duties at the Hiawatha East Property and began examining title status, delinquency levels, and budget deficiencies, with a mandate to identify a strategy—whether reorganization, termination of the timeshare structure, or outright sale—to restore financial stability and address the Hiawatha East Property’s deteriorating operations.

9. On September 27, 2024, Crown unexpectedly ceased operations and laid off staff at Hiawatha West, forcing the association to suspend on-site services. The abrupt closure also left existing long-term renters without proper oversight and created immediate challenges in meeting overdue utility charges and property insurance obligations.

10. In August 2024, the Board of Hiawatha West followed Debtor’s course of action and retained Lemonjuice to evaluate the property’s financial viability and identify a path to stability. Lemonjuice began reviewing unpaid maintenance accounts, reconciling intervals abandoned by owners, and examining options for reorganization, termination of the timeshare structure, or a potential sale.

11. The Debtor and Hiawatha West maintain a Shared Services Agreement, effective through April 1, 2025 (the “*Shared Services Agreement*”). The Shared Services Agreement called for Hiawatha West to provide spa and laundry facilities to the Hiawatha East Property for a yearly fee, while also agreeing to transfer seventy (70) of Hiawatha West’s timeshare intervals—one in each of its units—to the Debtor.

III. Financial difficulty resulted in seeking restructuring options for the Properties.

12. From 1979 onwards, the Debtor sold thousands of “intervals” or “weeks” in these Units, but owner delinquencies have climbed to approximately 75%, leading to severe shortfalls in assessment collections and a resulting lack of funds for maintenance. Many owners have simply abandoned their interests, leaving the Debtor unable to sustain normal resort operations and capital

improvements.

13. Similar to its sister association, Hiawatha West has also suffered from escalating owner delinquencies. As more owners abandoned their intervals or ceased paying maintenance fees, the association's income declined sharply, undermining its ability to cover regular operating costs, necessary repairs, and capital improvements.

14. Additionally, although still in place, the Shared Services Agreement has become increasingly difficult to administer due to ongoing delinquencies, unpaid cross-charges, and the operational shutdown at Hiawatha West.

THE DEBTOR'S EXISTING BANK ACCOUNTS

8. As of the Petition Date, in the ordinary course of business, the Debtor only utilizes the following Bank Accounts at the below listed banks (the "***Banks***" and each a "***Bank***"):

Bank Name	Last 4 Digits of Account Number	Purpose of Account
Alliance Bank	7678	Operating
Alliance Bank	2523	Petty Cash

The Bank Accounts are used for operating and petty cash reserve accounts.

9. Each of the Bank Accounts are maintained at Banks that are FDIC insured.

10. The average monthly balance in the Bank Accounts is \$35,758 and \$516.53. The Debtor writes an average of eleven (11) checks from the two Bank Accounts per month.

11. Considering the relatively small balance maintained in these Bank Accounts, the limited number of checks used by the Debtor, and that the Bank does not charge monthly fees, the Debtor believes that adhering to the U.S. Trustee Guidelines in the present case would put form over function to the detriment of the Debtor and its creditors.

BASIS FOR RELIEF REQUESTED

12. The U.S. Trustee Guidelines provide that Chapter 11 debtors must: (a) close all existing bank accounts and open new debtor-in-possession bank accounts; (b) establish a single debtor-in-possession account for all estate monies required for the payment of taxes, including payroll taxes; (c) maintain a separate debtor-in-possession account for cash collateral; and (d) acquire new checks for all debtor-in-possession accounts that bear the designation “Debtor-In-Possession,” the bankruptcy case number, and the type of account. For the reasons set forth herein, the Debtor submits that it is appropriate for the Court to grant the Debtor a waiver of the requirements of the U.S. Trustee Guidelines.

I. The Debtor Should Be Granted Authority to Maintain Its Existing Bank Accounts.

14. The Debtor seeks a waiver of the requirements of the U.S. Trustee Guidelines to the extent they require that the Debtor open new bank accounts and close their existing Bank Accounts. Such requirements would cause an unnecessary disruption in the Debtor’s business. Accordingly, the Debtor requests that its existing Bank Accounts be deemed debtor-in-possession accounts and that the maintenance and continued use of such accounts, in the same manner and with the same account numbers, styles, and document forms as those employed during the prepetition period, be authorized.

13. Bankruptcy courts have recognized that strict enforcement of the requirement that a debtor-in-possession close its bank accounts and open new bank accounts in accordance with the U.S. Trustee Guidelines does not serve the rehabilitative purpose of chapter 11.

II. The Banks Should Be Authorized to Continue to Treat, Service and Administer the Bank Accounts in the Ordinary Course of Business.

14. The U.S. Trustee Guidelines require that all receipts and all disbursements of estate funds must be made by check with a notation representing the reason for the disbursement.

Accordingly, the Debtor requests that the Court grant relief from the U.S. Trustee Guidelines to the extent they require the Debtor to make all disbursements by check.

15. Specifically, the Debtor seeks entry of an order granting the Banks authority to continue to treat, service and administer the Bank Accounts as accounts of the Debtor as a debtor-in-possession without interruption and in the usual and ordinary course, and to receive, process and honor and pay any and all post-petition checks, drafts, wires or automated clearing house transfers (the “*ACH Transfers*”) drawn on the Bank Accounts by the holders or makers thereof, as the case may be, to the extent the Debtor has funds with such Bank.

16. The Debtor requests that the Banks be authorized to accept and honor all representations from the Debtor as to which checks, drafts, wires or ACH Transfers should be honored or dishonored consistent with any order of this Court and governing law, whether such checks, drafts, wires or ACH Transfers are dated prior to, on or subsequent to the Petition Date. Pursuant to the relief requested in this Motion, the Banks shall not be liable to any party on account of (a) following the Debtor’s instructions or representations as to any order of this Court, (b) the honoring of any prepetition check or item in a good faith belief that the Court has authorized such prepetition check or item to be honored or (c) an innocent mistake made despite implementation of reasonable item handling procedures.

17. The Debtor further requests that any payment from a Bank Account at the request of the Debtor made by a Bank prior to the Petition Date (including any ACH Transfer such Bank is or becomes obligated to settle), or any instruments issued by such Bank on behalf of Debtor pursuant to a “midnight deadline” or otherwise, be deemed to be paid prepetition, whether or not actually debited from such Bank Account prepetition.

III. The Bankruptcy Code Permits the Debtor to Continue to Use Its Bank Accounts.

18. Section 363(c)(1) of the Bankruptcy Code authorizes a debtor in possession to “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). The purpose of section 363(c)(1) of the Bankruptcy Code is to provide a debtor in possession “flexibility to engage in ordinary transactions” required to operate its business without unneeded oversight by its creditors or the court. *In re Roth Am., Inc.*, 975 F.2d 949, 952 (3d Cir. 1992) (“Section 363 is designed to strike [a] balance, allowing a business to continue its daily operations without excessive court or creditor oversight and protecting secured creditors and others from dissipation of the estate’s assets.”); *In re Nellson Nutraceutical, Inc.*, 369 B.R. 787, 796 (Bankr. D. Del. 2007). The authority granted by section 363(c)(1) of the Bankruptcy Code extends to a debtor in possession’s continued use of its customary cash management system and, thus, supports the relief requested. *See, e.g., Charter Co. v. Prudential Ins. Co. Am. (In re Charter Co.)*, 778 F.2d 617, 621 (11th Cir. 1985) (indicating that an order authorizing the debtor to employ a cash management system that was “usual and customary in the past” was “entirely consistent” with section 363(c)(1) of the Bankruptcy Code); *Amdura Nat’l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.)*, 75 F.3d 1447, 1453 (10th Cir. 1996) (included within the scope of section 363(c) of the Bankruptcy Code is a debtor’s ability to continue “routine transactions” necessitated by a debtor’s cash management system).

19. Moreover, section 364(a) of the Bankruptcy Code authorizes a debtor in possession to obtain unsecured credit and incur unsecured debt in the ordinary course of business without notice and a hearing. *See* 11 U.S.C. § 364(a). This provision further supports the relief requested herein.

20. Section 105(a) of the Bankruptcy Code also authorizes this Court to permit the Debtor to continue to use its existing Bank Accounts. Section 105(a) of the Bankruptcy Code vests

in this Court the power to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” The continued use of the Bank Accounts is essential to the efficient administration of the Chapter 11 Case and to the Debtor’s efforts to maximize estate value for all parties in interest. Indeed, one court, in another context, has recognized that permitting a debtor to continue the use of its existing bank accounts “allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash.” *In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 934 (Bankr. D. Del. 1992), *aff’d in part and rev’d in part*, 997 F.2d 1039 (3d Cir. 1993). Therefore, the relief requested is appropriate under section 105(a) of the Bankruptcy Code.

21. Maintaining the Bank Accounts without disruption is in the best interests of the Debtor, its estate, and all interested parties. Based on the foregoing, the Court should allow the Debtor’s continued use of its existing Bank Accounts.

NOTICE

22. The Debtor has provided notice of this Motion either by electronic mail, facsimile, or United States First Class mail to: (i) the U.S. Trustee; (ii) the Banks; and (iii) all parties entitled to notice pursuant to Bankruptcy Rule 2002. Due to the nature of the relief requested herein, the Debtor submits that no other or further notice is required.

WHEREFORE, the Debtor respectfully submits that cause exists to grant the relief sought in this motion and request that this court enter orders granting the relief requested in the motion and such other and further relief as this court deems just and proper.

DATED: May 6, 2025
Nashville, Tennessee

Respectfully submitted,
HOLLAND & KNIGHT LLP

/s/ Blake D. Roth

Blake D. Roth (Federal ID No. 2666808)

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Proposed Counsel for the Debtor and Debtor in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE**

In re:

Hiawatha Manor Association, Inc.

Debtor.

Chapter 11

Case No. 25-01916

**ORDER GRANTING DEBTOR'S MOTION FOR ENTRY
OF AN ORDER AUTHORIZING THE MAINTENANCE AND
CONTINUED USE OF EXISTING BANK ACCOUNTS**

Upon consideration of the Motion¹; and upon finding that this court has jurisdiction over the matters set forth in the Motion; and upon finding that venue is proper in this court; and upon finding that due and sufficient notice has been given and that no other or further notice need be given; and upon finding that immediate and irreparable harm will result without the relief sought in the Motion; and upon finding that the relief sought in the Motion is in the best interest of the Debtor, its creditors, and other parties in interest; and after due consideration and finding other sufficient cause for the relief sought in the Motion, it is hereby

1. **ORDERED** that the Motion is GRANTED; and it is further
2. **ORDERED** that all objections are OVERRULED to the extent not otherwise resolved or withdrawn; and it is further
3. **ORDERED** that the Debtor is authorized and empowered to continue its use of the Bank Accounts as used and maintained prior to the Petition Date, and to collect and disburse cash in accordance with its prepetition operations; and it is further

¹ Capitalized terms used in this order and not otherwise defined shall have the meanings ascribed to them in the Motion.

4. **ORDERED** that the requirement that the Debtor close all existing Bank Accounts and open new debtor in possession accounts is hereby waived; and it is further

5. **ORDERED** that the requirement to establish specific bank accounts for tax payments is hereby waived; and it is further

6. **ORDERED** that the Debtor may disburse funds from the Bank Accounts by checks, drafts, wires, debits, ACH transfers, or by any other means; and it is further

7. **ORDERED** that the Banks where the Debtor maintains the Bank Accounts are authorized and directed to: (a) continue to service and administer the Bank Accounts as accounts of the Debtor as debtor in possession without interruption and in the usual and ordinary course; and (b) receive, process, and honor and pay any and all checks, drafts, wires, or ACH transfers issued or initiated by the Debtor, and drawn on the Bank Accounts, by the holders or makers thereof, as the case may be; provided, however, that any check drawn or issued by the Debtor before the Petition Date may be honored by any Bank only if specifically authorized by order of this court; and it is further

8. **ORDERED** that, notwithstanding any other provision of this order, no Bank that honors a prepetition check or other item drawn on any Bank Account that is the subject to this order: (a) at the direction of the Debtor; (b) in good faith belief that the court has authorized such prepetition check or item; or (c) as the result of a good faith error made despite implementation of reasonable item handling procedures, shall be deemed to be liable to the Debtor or its estate or otherwise in violation of this order; and it is further

9. **ORDERED** that nothing contained in this order shall prevent the Debtor from opening any additional bank accounts, or closing any existing Bank Accounts, as the Debtor may

deem necessary and appropriate; provided, however, that any new bank accounts opened by the Debtor shall be at a U.S. Trustee approved depository; and it is further

10. **ORDERED** that the Banks are authorized to honor the Debtor's request to open or close, as applicable, such Bank Accounts or other bank accounts; and it is further

11. **ORDERED** that the Debtor shall notify the U.S. Trustee of the opening of any new bank accounts or closing of any existing Bank Accounts by providing information regarding any such new or closed Bank Account in the Debtor's monthly operating reports; and it is further

12. **ORDERED** that, as promptly as possible, but in no event later than five (5) business days after entry of this order, the Debtor shall serve a copy of this order on all Banks; and it is further

13. **ORDERED** that, notwithstanding any Bankruptcy Rule to the contrary, this order shall be immediately effective and enforceable upon its entry; and it is further

14. **ORDERED** that this court shall retain jurisdiction over any and all matters arising out of or related to this order; and it is further.

15. **ORDERED** that any objection to this order must be filed within twenty-one (21) days from the date of this order. If a timely objection is received from the United States Trustee, any creditor, or party-in-interest, the Debtor shall request a hearing before the Court.

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APPROVED FOR ENTRY:

HOLLAND & KNIGHT LLP

/s/ Blake D. Roth

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*Proposed Counsel for the Debtor and
Debtor in Possession*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE**

In re:

Hiawatha Manor Association, Inc.

Debtor.

Chapter 11

Case No. 25-01916

**DECLARATION OF ARCHIE DOLBY IN SUPPORT OF DEBTOR'S MOTION
FOR ENTRY OF AN ORDER AUTHORIZING THE MAINTENANCE
AND CONTINUED USE OF EXISTING BANK ACCOUNTS**

I, Archie Dolby, being an adult of sound mind and having personal knowledge of the facts set forth in this declaration, do declare, pursuant to 28 U.S.C. § 1746, as follows:

1. I am the Board President of Hiawatha Manor Association, Inc. (the “**Debtor**”).
2. I am submitting this declaration in support, and in furtherance, of the *Debtor's Motion for Entry of an Order Authorizing the Maintenance and Continued Use of Existing Bank Accounts*.
3. Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge, upon relevant documents and information supplied to me by people who report to me or are officers or employees with the Debtor, upon information supplied to me by the Debtor's professionals, or upon my opinion based on my experience and knowledge with respect to the Debtor's business, finances, and operations.
4. As of the Petition Date, in the ordinary course of business, the Debtor utilizes the following Bank Accounts at the below listed banks (the “**Banks**” and each a “**Bank**”):

Bank Name	Last 4 Digits of Account Number	Purpose of Account
Alliance Bank	7678	Operating
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8. Considering the relatively small balance maintained in these Bank Accounts, the limited number of checks the Debtor uses, and that neither Bank charges monthly fees, I believe that adhering to the U.S. Trustee Guidelines in the present case would put form over function to the detriment of the Debtor and its creditors.
9. Based upon the foregoing, I believe that the maintenance and continued use of the existing bank accounts and waiver of the U.S. Trustee Guidelines relating to the Bank Accounts is in the best interests of the estate, creditors of the estate, and other parties in interest.

FURTHER DECLARANT SAYETH NOT.

Dated: May 2, 2025

/s/ Archie Dolby

Archie Dolby
Board President
Hiawatha Manor Association, Inc.