

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:)	
)	
TRUSTEES OF CONNEAUT LAKE PARK, INC.,)	Bankruptcy Case No. 14-11277-JAD
)	
Debtor.)	Chapter 11
_____)	
)	
TRUSTEES OF CONNEAUT LAKE PARK, INC.,)	Document No. _____
)	
Movant,)	
)	
v.)	
)	
BERKHEIMER ASSOCIATES, CONNEAUT LAKE JOINT MUNICIPAL AUTHORITY, CONNEAUT SCHOOL DISTRICT, CRAWFORD COUNTY TAX CLAIM BUREAU, DONALD G. KALTENBAUGH, FIRST CAPITAL FINANCE, INC., JOSEPH J. PRISCHAK AND ISABEL J. PRISCHAK, MERCER COUNTY STATE BANK, QUINN, BUSECK, LEMHUIS, TOOHEY & KROTO, SADSBURY TOWNSHIP, SUMMIT TOWNSHIP, U.S. FOODSERVICE, ECONOMIC PROGRESS ALLIANCE OF CRAWFORD COUNTY, NORTHWEST PENNSYLVANIA REGIONAL PLANNING AND DEVELOPMENT COMMISSION, THE COMMONWEALTH OF PENNSYLVANIA, AND ALL UNNAMED HOLDERS OF LIENS, CLAIMS, OR ENCUMBRANCES,)	<u>Hearing Date & Time:</u> September 6, 2016 at 10:00 a.m.
)	<u>Responses Due:</u> August 16, 2016
)	
Respondents.)	

**DEBTOR’S MOTION FOR ENTRY OF AN ORDER APPROVING THE SALE OF
REAL PROPERTY DESIGNATED AS LOT NO. 3 IN LAKEFRONT SUBDIVISION NO.
1 FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND
INTERESTS, INCLUDING ALL CHARITABLE USE RESTRICTIONS**

Trustees of Conneaut Lake Park, Inc., the above-captioned debtor and debtor-in-possession (the "Debtor"), by and through its undersigned counsel, hereby files this *Motion* (the "Sale Motion") for Entry of an Order (the "Sale Order") Approving the Sale (the "Sale") of Real Property Designated as Lot No. 3 in Lakefront Subdivision No. 1 Free and Clear of All Liens, Claims, Encumbrances, and Interests, including All Charitable Use Restrictions, and in support thereof states as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory basis for the relief requested herein are sections 105(a) and 363 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"), Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure, and Rules 6004-1 and 9013-3(c) of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Western District of Pennsylvania.

BACKGROUND

3. On December 4, 2014 (the "Petition Date"), the Debtor commenced its reorganization case by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

4. The Debtor is functioning as a debtor-in-possession, pursuant to sections 1107 and 1108 of the Bankruptcy Code.

5. The Debtor is a Pennsylvania non-profit corporation organized in 1997 and having the corporate purpose, among other things, to preserve and maintain Conneaut Lake Park,

a vintage amusement park (the “Park”), for historical, cultural, social and recreational, and civic purposes for the benefit of the community and the general public. The Debtor presently holds in trust for the use of the general public 208.213 acres of land and the improvements thereon (the “Real Property”) located in Crawford County, Pennsylvania. Certain parcels of the Real Property are unnecessary for the operation of the Park or for the Debtor to realize the charitable purposes for which the Real Property was put into trust (each such parcel is referred to as a “Noncore Parcel” and collectively, the “Noncore Parcels”).

6. Following a successful mediation, the Debtor and the Unofficial (Ad Hoc) Committee of Real Estate Tax Creditors of Trustees of Conneaut Lake Park, Inc. (the “Taxing Authorities”) filed a Disclosure Statement and accompanying Joint Plan of Reorganization dated June 3, 2016 (the “Plan”). *See* Doc. Nos. 395 and 396. The Disclosure Statement has not yet been approved and the Plan has not been sent to creditors. The Plan and Disclosure Statement contemplate the sale of Noncore Parcels to partially fund the Debtor’s reorganization.

7. Consistent with the Plan, the Debtor subdivided the lots comprising the Flynn Property into five lakefront lots and a large backlot (collectively, the “Lakefront Subdivision No. 1”). The subject of this Sale Motion is Lot No. 3 of the Lakefront Subdivision No. 1 (the “Subject Property”).

8. The Debtor makes reference to its Schedule D, as amended, at Document No. 93 for the names, addresses, and account numbers, and amounts outstanding as of the Petition Date for each of the respondents holding a lien, claim, or encumbrance (collectively, the “Interests”) against the Subject Property. Schedule D is attached hereto, incorporated herein and labeled Exhibit A.

THE TERMS OF SALE

a. The Subject Property, Subject Property Owner, and the Prospective Purchaser

9. The estimated value of the Subject Property according to the Debtor's Real Estate Agent is \$299,000 with a summary appraisal of the Subject Property completed in September 2015 that supports the estimate.

10. The Subject Property is a lot within a subdivision that constitutes a small portion of the Debtor's Real Property listed in its Schedule A. *See* Completed Petition, Schedule A at Doc. No. 61. The Subject Property is located on Lake Street, Conneaut Lake, Pennsylvania 16316, comprises a portion of Parcel ID No. 5513-0086, and is more particularly identified as "Lot 3" on the property subdivision (the "Flynn Property Subdivision") attached hereto and incorporated herein as Exhibit B.

11. The Subject Property is owned by the Debtor.

12. The Prospective Purchaser for Lot. No. 3 is Robert F. Naples and Donna L. Naples, husband and wife, or their affiliated family trust or entity (the "Purchasers") as identified on the Agreement for Sale and Purchase of Real Estate, (the "Sale Agreement") attached hereto, incorporated herein, and labeled Exhibit C. The Purchaser had no relationship to the Debtor

13. The Purchasers had been under contract for the purchase of Lot 5 in the Lakefront Subdivision No.1, which sale agreement (the "Lot 5 Sale Agreement") was approved by this Court by Order granting that sale motion entered on April 19, 2016 (the "Lot 5 Sale Order"). *See* Doc. No. 356.

14. During the due diligence period for the sale of Lot No. 5, it was discovered that a neighbor to Lot No. 5 has encroached upon the premises and asserted a claim for adverse

possession that the Debtor disputes and is working to resolve. The Purchasers, however, desire to be excused from the Lot 5 Sale Agreement and Lot 5 Sale Order and, instead, have entered into the Sale Agreement the purchase of Lot No. 3. The Debtor consents to excusing the Purchasers from the Sale of Lot 5 and to the terms and conditions of the Sale Agreement for Lot 3.

15. As evidenced by the Sale Agreement, the purchase price for the Subject Property is \$260,000. An initial payment of \$10,000.00 is being held in an escrow account by Passport Realty, LLC, the licensed Real Estate Broker for the Debtor. The Debtor was authorized to retain Passport Realty, LLC (the “Real Estate Broker” or “Passport Realty”) on July 31, 2015. *See* Doc. No. 174.

16. The closing on the sale of the Subject Property is conditioned upon, among other things: (a) the Debtor’s receipt of a final Order authorizing the sale of the Subject Property; (b) release of the previously entered Order of Court authorizing the sale of Lot 5 of the Subdivision; and (c) a HUD-Statement in form reasonably acceptable to Purchaser and Debtor. *See* Sale Agreement, § 3.

17. The Sale Agreement was executed on June 24, 2016 utilizing the Lakefront Subdivision No. 1 plan that was approved by the Summit Township Supervisors on April 5, 2016.

b. Costs of Sale

18. The following disbursements, costs, and expenses of sale are projected at the time of the closing on the sale of the Subject Property:

- | | |
|----------------------------|-------------|
| a. Real Estate Commission: | \$0.00 |
| b. Other Expenses of Sale: | \$30,000.00 |

19. Under the terms of the Brokerage Agreement entered into by the Debtor and Passport Realty, Passport Realty is entitled to a commission equal to 6%-7% of the sales price, depending on whether a co-broker is involved. In this case, however, Passport Realty has agreed to waive its right to a commission on the sale of the Subject Property because of an error in the

initial listing price for Lot No. 5. Accordingly, while the Real Estate Commission for the sale of this Subject Property is \$0.00, it is anticipated to be 6%-7% of the sale price for future sales of Noncore Parcels.

20. Other expenses of Sale include \$30,000.00 for certain professional fees and costs incurred by the Debtor during this Chapter 11 case that may be surcharged against the Subject Property pursuant to 11 U.S.C. § 506(c). The surcharge is consistent with the terms of the proposed Plan. The professional fees and costs represent a fraction of the total amount due and owing to the estate’s professionals, with the balance of the administrative obligations to be paid from future sales of Noncore Parcels and the Debtor’s operations. The \$30,000 Other Expenses of Sale is allocated among the retained professionals as follows:

Name of Professional	Nature of Fees & Expenses	Amount
Porter Consulting Engineers	Land Use Planning, Surveys, and Project Drawings	\$2,500.00
Shafer Law Firm	Title Work, Subdivisions, and Zoning	\$2,500.00
Stonecipher Law Firm	Professional services rendered to the estate	\$25,000.00
TOTAL:		\$30,000.00

c. All Liens, Claims, and Encumbrances Against the Subject Property

21. In addition to the secured claims listed on Debtor’s Amended Schedule D attached hereto as Exhibit A, the Subject Property is subject to the charitable use restriction (the “Charitable Use Restriction”) placed upon all of the Debtor’s Real Property through the deeds (collectively, the “Deeds”) conveying the Real Property to the Debtor. True and correct copies of the Deeds are attached hereto, incorporated herein, and labeled Exhibit D.

22. The initial deed (the “Initial Deed”) is dated August 31, 1997, from Property on the Lake, Inc. to the Debtor and contains the following trust language:

IN TRUST, NEVERTHELESS, for use of the general public forever, subject, however, to such rules and regulations for the use of said land to be known as ‘Conneaut Lake Park’ as may be made from time to time by the Trustees of Conneaut Lake Park, Inc. and their successors.

23. On September 15, 1997, the Debtor executed a deed conveying the Real Property back to itself in trust for the use of the general public forever. This deed was recorded in the Record Book 357, page 768. It contained the following additional language:

AND FURTHER specifically, in part for use as a public amusement park and the like, and in part for use as a public park with open parkland and the like, and in part for use for public buildings and the like, forever; AND FURTHER in addition specifically, in part for public access to and use of Conneaut Lake and the lake shore, for swimming and boating and the like, forever; AND FURTHER, for other like and similar and related public purposes; all forever.

RELIEF REQUESTED

24. The Debtor seeks entry of an Order approving and authorizing the Sale of the Subject Property free and clear of all Interests and the Charitable Use Restriction and that releases and excuses the Purchasers from the Lot 5 Sale Agreement and Lot 5 Sale Order.

BASIS FOR RELIEF

A. Sale of Assets Outside the Ordinary Course of Business

25. Bankruptcy Code Section 363(b) provides that a “trustee, after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b).

26. Courts have authorized debtors to sell their assets prior to plan confirmation where a “sound business purpose” exists for the sale. *See e.g. In re Montgomery Ward Holdings Corp.*,

242 B.R. 147, 153 (D. Del. 1999); *In re Delaware & Hudson Ry. Co.*, 124 B.R. 169, 176 (D. Del. 1991); *In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996); *In re Abbott's Dairies of Pennsylvania, Inc.*, 788 F.2d 143 (3d Cir. 1986); *see also In re Lionel Corp.*, 722 F.2d 1063, 1069 (2d Cir. 1983) (“Section 363(b) of the Code seems on its face to confer upon the bankruptcy judge virtually unfettered discretion to authorize the use, sale, or lease, other than in the ordinary course of business, of property of the estate.”); *In re Frezzo*, 217 B.R. 985, 989 (Bankr. E.D. Pa 1998) (“In determining whether to approve a proposed sale under section 363, courts generally apply standards that, although stated various ways, represent essentially a business judgment test.”).

27. Once a debtor articulates a valid business justification for a sale outside of the ordinary course of business, the business rules dictate that the Court should not second-guess the debtor’s business judgment. The business judgment rule “is a presumption that in making a business decision the directors ... acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation.” *Brehm v. Eisner*, 746 A.2d 244, 264, n. 66 (Del. 2000) (quoting *Aronson v. Lewis*, 473 A.2d 805, 821 (Del. 1984); *In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005); *Holder of Tectonic Network, Inc. v. Wolford*, 554 F. Supp.2d 538, 555 n.111 (D. Del. 2008); *Continuing Creditors’ Comm. Of Star Telecomms., Inc. v. Edgcomb*, 385 F.Supp.2d 449, 462 (D. Del. 2004); *see also In re Johns-Manville Corp.*, 60 B.R. 612, 615-16 (Bankr. S.D. N.Y. 1986) (“a presumption of reasonableness attaches to a Debtor’s management decisions.”).

28. Here, there is sound business justification for selling the Subject Property prior to plan confirmation. First, the Debtor is not proposing a sale of substantially all of its Assets. On the contrary, the Subject Property represents less than .2% of the Debtor’s Real Property. Second, by selling the Subject Property, the Debtor will be able to pay down a substantial portion of the

Secured Tax Claims encumbering the Debtor's Real. Third, the sale of the Subject Property is consistent with the terms proposed in the Debtor's Plan and advances the Debtor's reorganization efforts in a substantive and meaningful way.

29. The Sale of the Subject Property will be subject to better and higher offers at the Sale Hearing. Consequently, the purchase price for the Subject Property will constitute fair and reasonable consideration received by the Debtor's estate as established by the market and auction process. Finally, notice of the Sale will have been provided consistent with the Federal Rules of Bankruptcy Procedure and the Local Rules of this Court.

B. Sale of the Subject Property Free and Clear of All Interests

30. Section 363(f) of the Bankruptcy Code permits a debtor to sell assets free and clear of all liens, claims, interests, charges and encumbrances (with any such liens, claims, interests, charges, and encumbrances attaching to the net proceeds of the sale with the same rights and priorities therein as held in the asset). Specifically, section 363(f) states:

The trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if –

- (1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on the property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f).

31. Section 363(f) is stated in the disjunctive. Accordingly, it is only necessary to satisfy one of the five basis to sell property of the estate free and clear of all interests under Section

363(f). *In re Kellstrom Indus., Inc.*, 282 B.R. 787, 793 (Bankr. D. Del. 2002); *Citicorp Homeowners Servs., Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (E.D. Pa. 1988).

32. Here the Debtor relies upon Sections 363(f)(1), (4), and (5) as the bases upon which the Debtor may sell the Subject Property free and clear of all Interests and the Charitable Use Restriction.

i. Sale of the Subject Property Free and Clear of the Charitable Use Restriction Pursuant to Section 363(f)(1).

33. The Debtor can sell the Subject Property free and clear of the Charitable Use Restriction pursuant to 11 U.S.C. § 363(f)(1) because, for the reasons set forth below, it is permissible under applicable nonbankruptcy law. Section 363(f)(1) states:

The trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if –

(1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;

34. Additionally, the Debtor is not required to go to a separate forum in order to obtain relief from the Charitable Use Restriction. In 2005, the Bankruptcy Code was substantially amended pursuant to the Bankruptcy Abuse Prevention and Consumer Protection Act (“BAPCPA”). Through BAPCPA, Congress inserted certain provisions in the Bankruptcy Code to confirm the Bankruptcy Court’s authority to dispose of the debtor’s property in compliance with applicable nonbankruptcy law and without the need for an ancillary or collateral proceeding in another forum. *See e.g.* 11 U.S.C. §§ 363(d)(1), 541(f) and 1129(a)(16).

35. Section 363(d)(1) of the Bankruptcy Code authorizes the Trustee to sell or lease property in a case of a debtor that is a nonprofit corporation or trust, only in accordance with applicable nonbankruptcy law. 11 U.S.C. § 363(d)(1). Similarly, Section 1129(a)(16) authorizes

transfers of property pursuant to a chapter 11 plan for nonprofits only to the extent the transfer complies with applicable state law. 11 U.S.C. § 1129(a)(16). Finally, Section 363(f)(1) permits a debtor to sell the assets subject to charitable trust free and clear of the charitable restriction only if “applicable nonbankruptcy law permits sale of such property free and clear of such interest.” 11 U.S.C. § 363(f)(1).

36. The commentary to BAPCPA underscores that these three provisions are intended to ensure the Attorney General retains her ability to supervise the operations of a nonprofit, to provide certainty and finality to the orders of court entered in bankruptcy, and to allow parties in interest to proceed in the bankruptcy forum. *See* Pub. L. No. 109-8, § 1221(d) & (e) (2005). Specifically, the commentary to BAPCPA regarding disposition of property belonging to a nonprofit charitable debtor corporation provides:

Nothing in this section shall be construed to require the court in which a case under chapter 11 of title 11, United States Code, is pending to remand or refer any proceeding, issue, or controversy to another court or to require the approval of any other court for the transfer of property.

See Pub. L. No. 109-8, § 1221(e) (2005).¹

¹ Section 1221, in its entirety reads:

TRANSFERS MADE BY NONPROFIT CHARITABLE CORPORATIONS.

(a) Sale of Property of Estate.-- Section 363(d) of title 11, United States Code, is amended by striking "only" and all that follows through the end of the subsection and inserting "only--

"(1) in accordance with applicable nonbankruptcy law that governs the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust; and
"(2) to the extent not inconsistent with any relief granted under subsection (c), (d), (e), or (f) of section 362."

(b) Confirmation of Plan of Reorganization.-- Section 1129(a) of title 11, United States Code, as amended by sections 213 and 321, is amended by adding at the end the following:

"(16) All transfers of property of the plan shall be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust."

(c) Transfer of Property.-- Section 541 of title 11, United States Code, as amended by section 225, is amended by adding at the end the following:

"(f) Notwithstanding any other provision of this title, property that is held by a debtor that is a corporation described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code may be transferred to an entity that is not such a corporation, but only under the same conditions as would apply if the debtor had not filed a case under this title."

37. Taking these provisions and comments together, the Court can approve the Sale of the Subject Property free and clear of the Charitable Use Restriction provided that the Sale complies with Pennsylvania law.

38. Here, the Sale free and clear of the Charitable Use Restriction complies with Pennsylvania Law.

39. The Debtor was incorporated on August 28, 1997 as a nonprofit corporation with the stated purposes “[t]o preserve and maintain Conneaut Lake Park for historical and cultural and social and recreational and civic purposes, etc. for the benefit of the community and the general public and all related matters.” *See* Debtor’s Articles of Incorporation. Additionally, as evidenced by the Deeds discussed above and attached hereto as Exhibit D, the Real Property owned by the Debtor is held in a charitable trust (the “Charitable Trust”), subject to the Charitable Use Restriction.

40. Under Pennsylvania law, Pennsylvania nonprofit corporations are authorized to sell, lease or otherwise dispose of their real or personal property, or any portion of their real or personal property, without need for a court order unless the nonprofit is seeking to dispose of substantially all of its assets. *See* 15 Pa.C.S. § 5546. Section 5546 of the Pennsylvania Consolidated Statutes provides:

(d) Applicability.--The amendments made by this section shall apply to a case pending under title 11, United States Code, on the date of enactment of this Act, or filed under that title on or after that date of enactment, except that the court shall not confirm a plan under chapter 11 of title 11, United States Code, without considering whether this section would substantially affect the rights of a party in interest who first acquired rights with respect to the debtor after the date of the filing of the petition. The parties who may appear and be heard in a proceeding under this section include the attorney general of the State in which the debtor is incorporated, was formed, or does business.

(e) Rule of Construction.-- Nothing in this section shall be construed to require the court in which a case under chapter 11 of title 11, United States Code, is pending to remand or refer any proceeding, issue, or controversy to any other court or to require the approval of any other court for the transfer of property.

BANKRUPTCY ABUSE PREVENTION AND CONSUMER PROTECTION ACT OF 2005, 109 P.L. 8, 119 Stat. 23, 195-196.

Except as otherwise provided in this subpart and unless otherwise provided in the bylaws, no application to or confirmation of any court shall be required for the purchase by or the sale, lease or other disposition of the real or personal property, or any part of the real or personal property of a nonprofit corporation, and, unless otherwise restricted in section 5930 (relating to voluntary transfer of corporate assets) or in the bylaws, no vote or consent of the members shall be required to make effective such action by the board or other body. *If the property is subject to a trust, the conveyance away shall be free of trust, and the trust shall be impinged upon the proceeds of the conveyance.*

15 Pa.C.S. § 5546 (emphasis added).

41. The exception to Section 5546 and the Debtor's ability to sell the Subject Property without a court order is found in 15 Pa.C.S. § 5930. Section 5930 relates to sales of all or substantially all of a nonprofit's assets, which is not applicable here. Moreover, the Debtor's bylaws do not prohibit voluntary transfers of property. Finally, the proceeds of the Sale are being used to cover the costs of sale, then distributed in accordance with priority of the nonprofit's creditors with insufficient funds remaining to satisfy all of the Debtor's creditors. Accordingly, there is no excess Sale proceeds to be "impinged" in favor of the Charitable Trust.

42. The sale of the Subject Property free and clear of the Charitable Use Restriction does not adversely affect the Debtor's ability to realize the charitable purpose for which it was created nor does it constitute a modification of the Charitable Trust itself. The Subject Property represents less than .2% of the res held in the Charitable Trust. It does not prevent nor impede on the public's existing access to the lake shore nor does it encroach upon any portion of the Park.

43. In light of the foregoing, it is the Debtor's view that the sale of the Subject Property does not constitute a fundamental change to the Debtor's business or a sale of substantially all of its Real Property necessitating application of 15 Pa.C.S. § 5930. Similarly, the Debtor is not requesting a modification or termination of the Charitable Trust itself, only the capacity to dispose of the Subject Property free and clear of the Charitable Use Restriction. Accordingly, selling the

Subject Property free and clear of the Charitable Use Restriction complies with applicable nonbankruptcy law.

44. Selling the Subject Property free and clear of the Charitable Use Restriction also is in the best interests of the Debtor's estate. The Debtor does not have presently sufficient funding from ongoing operations to pay its existing prepetition liabilities and finance the needed capital improvements and maintenance that is required for the Park.

45. The remedy to the situation is to sell the Noncore Parcels (as defined in the Plan), including the Subject Property, in a manner that maximizes the purchase price. Based upon the Debtor's research, there appears to be no market for the Noncore Parcels to the extent they remain devoted to the Charitable Use Restriction. Therefore, divesting the Noncore Parcels, including the Subject Property, of its Charitable Use Restriction enables the Debtor to responsibly: (a) sell a portion of its Real Property, (b) retain the viability of the Park; (c) retain the Charitable Use Restriction on the Debtor's core assets, and (d) repay creditors over time.

46. Finally, the Attorney General, the office charged with enforcing the Charitable Trust, stated it does not object to sale of the Subject Property free and clear of the Charitable Use Restriction.

ii. **Sale of the Subject Property Free and Clear of the Disputed Claims is Appropriate under 11 U.S.C. § 363(f)(4)**

47. Pursuant to Section 363(f)(4) of the Bankruptcy Code, the Debtor may sell the Subject Property free and clear of an Interest that is subject to a bona fide dispute. See 11 U.S.C. § 363(f)(4).

48. In this case, to the extent Mr. Gary Harris asserts a competing claim to title of the Real Property, the Sale can nonetheless be approved over his objection either because it is subject to bona fide dispute, or, as evidenced by the Deeds, the Subject Property is within the Real Property

conveyed by Property on the Lake, Inc. to the Debtor and Mr. Harris' claims are, on their face, without merit and capable of being summarily dismissed. Notably, the sale of Lot 4 and Lot 5 were approved over the objection of the Mr. Harris based upon the record at the Sale Hearing, including the Deeds conveying the Real Property to the Debtor.

iii. Sale of the Subject Property Free and Clear of all Interests is Appropriate under 11 U.S.C. § 363(f)(5)

49. Sale of the Subject Property free and clear of all Interests is appropriate in this case because all such holders of Interests could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such Interest under applicable nonbankruptcy law.

50. Here, the Debtor proposes that any bona fide allowed Interests shall attach to the Sale proceeds with the same force, validity, effect, priority and enforceability as such Interests had in the Subject Property prior to the Sale.

51. Section 363(f)(5) does not require actual payment in satisfaction of the interest; rather, it requires that "the interest in question be subject to final satisfaction on a hypothetical basis ..." *In re Healthco Int'l, Inc.*, 174 B.R. 174, 176 (Bankr. D. Mass 1994) (approving sale where lien could be subject to cramdown under Section 1129(b)(2)(A); *see also In re Trans World Airlines, Inc.*, 322 F.3d 283, 290-91 (3d Cir. 2003) (affirming sale under Section 363(f)(5) on the basis that claim holders would receive liquidation value of their claims if the case converted to Chapter 7); *see also In re Jolan, Inc.*, 403 B.R. 866, 870 (Bankr. W.D. Wash. 2009) (approving sale pursuant to 363(f)(5) where monetary satisfaction could be compelled in a receivership or foreclosure proceeding, among others); *see also In re Grand Slam U.S.A., Inc.*, 178 B.R. 460, 464 (E.D. Mich. 1995) (stating a sale pursuant to 363(f)(5) can be approved by operation of Sections 1129(b)(2) or 724(b)(2)).

52. In this case the proposed distribution of the proceeds from the Sale comport with applicable priority scheme in the Bankruptcy Code in either a hypothetical Chapter 7 liquidation or Chapter 11 cramdown. The balance of the Sale proceeds following payment of costs and expenses of sale, including any authorized fees and expenses chargeable to the Subject Property pursuant to 11 U.S.C. § 506(c), are being remitted to the holder of the highest lien priority and secured claim in the Subject Property, i.e. the Taxing Authorities. No other holder of an Interest will receive a distribution under the proposed Sale because the Allowed Secured Tax Claim will not have yet been satisfied and paid in full.

53. Based upon the foregoing, holders of allowed claims can be compelled to accept the proposed Sale because they are receiving what they would have received in a state court liquidation or receivership of the Debtor's Assets.

C. The Purchaser Should Be Entitled to the Protections of Section 363(m).

54. Pursuant to section 363(m) of the Bankruptcy Code, "a 'good faith purchaser' is generally one who purchases assets for value, in good faith, and without knowledge of adverse claims." *In re Abbott's Dairies of Pennsylvania, Inc.*, 788 F.2d at 147; *In re Youngstown Steel Tank Co.*, 27 B.R. 596, 598 (W.D. Pa 1983). Judicial inquiry regarding "good faith" in the context of section 363(m) of the Bankruptcy Code focuses on the integrity of the purchaser's conduct during the course of the sale proceedings. *Id.* at 147.

55. Here, the Sale Agreement was negotiated at arms' length, the deposit due under the Sale Agreement has been tendered, and the Sale is subject to higher and better offers at the Sale Hearing. Accordingly, the Order approving the Sale contains a finding that the Purchaser is a "good faith" purchaser within the meaning of 11 U.S.C. § 363(m).

56. Finally, the Debtor requests relief from Bankruptcy Rule 6004(h) such that the Sale Order, when entered, is effective immediately and not stayed for the 14-day period provided in Fed.R.Bankr.P. Rule 6004(h).

WHEREFORE, the Debtor respectfully requests entry of an Order of Court, substantially in the form attached hereto, authorizing the Sale of the Subject Property free and clear of all Interests and the Charitable Use Restriction and granting such other relief as this Court deems just and proper.

Date: July 29, 2016

STONECIPHER LAW FIRM

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Counsel to the Debtor-in-Possession

EXHIBIT A

In re Trustees of Conneaut Lake Park, Inc.

Case No. 14-11277-JAD

Debtor

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS - AMENDED

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is a creditor, the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor", include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H", "W", "J", or "C" in the column labeled "Husband, Wife, Joint, or Community".

If the claim is contingent, place an "X" in the column labeled "Contingent". If the claim is unliquidated, place an "X" in the column labeled "Unliquidated". If the claim is disputed, place an "X" in the column labeled "Disputed". (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion" on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R H W J C	Husband, Wife, Joint, or Community		C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
		DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN						
Account No.			March 17, 1999					
Berkheimer Associates c/o George Joseph, Esquire Quinn Buseck Leemhuis, Toohy & Kroto 222 West Grandview Blvd. Erie, PA 16506	-		Judgment Lien Judgment entered at case no. AD 1999-112				40,329.95	0.00
Account No.			August 27, 2004					
Conneaut Lake Joint Municipal Authority P.O. Box 277 Conneaut Lake, PA 16316	-		Judgment Lien Judgment entered at case no. MLD 2004-224				131,845.56	0.00
Account No.			March 7, 2003					
Conneaut Lake Joint Municipal Authority P.O. Box 277 Conneaut Lake, PA 16316	-		Mortgage Mortgage & Security Agreement				339,550.44	0.00
Account No.			December 30, 2004					
Conneaut Lake Joint Municipal Authority P.O. Box 277 Conneaut Lake, PA 16316	-		Judgment Lien Judgment entered at case no. MLD 2005-1				19,270.35	0.00
Subtotal							530,996.30	0.00
(Total of this page)								

4 continuation sheets attached

In re Trustees of Conneaut Lake Park, Inc.

Case No. 14-11277-JAD

Debtor

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS - AMENDED
(Continuation Sheet)

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions.)	C O D E D E B T O R	H U S B W I F E J O I N T C O M M U N I T Y	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
Account No.			February 8, 2007					
Conneaut Lake Joint Municipal Authority P.O. Box 277 Conneaut Lake, PA 16316		-	Judgment Lien Judgment entered at case no. MLD 2007-19					
			Value \$ 2,955,000.00				47,798.70	0.00
Account No.			January 8, 2009					
Conneaut Lake Joint Municipal Authority P.O. Box 277 Conneaut Lake, PA 16316		-	Judgment Lien Judgment entered at case no. MLD 2009-2					
			Value \$ 2,955,000.00				44,370.93	0.00
Account No.			October 2, 2004					
Conneaut Lake Joint Municipal Authority P.O. Box 277 Conneaut Lake, PA 16316		-	Judgment Lien Judgment entered at case no. MLD 2014-253					
			Value \$ 2,955,000.00				23,238.86	0.00
Account No.			Municipal tax lien					
Conneaut School District c/o George Joseph, Esquire Quinn, Buseck, Leemhuis, Toohy & Kroto 2222 West Grandview Blvd. Erie, PA 16506		-						
			Value \$ 2,955,000.00				636,496.82	0.00
Account No.			Tax Lien					
Crawford County Tax Claim Bureau 903 Diamond Park Meadville, PA 16335		-	Municipal tax lien					
			Value \$ 2,955,000.00				235,176.85	0.00
Subtotal							987,082.16	0.00
(Total of this page)								

Sheet **1** of **4** continuation sheets attached to
Schedule of Creditors Holding Secured Claims

In re Trustees of Conneaut Lake Park, Inc.

Case No. 14-11277-JAD

Debtor

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS - AMENDED
(Continuation Sheet)

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions.)	C O D E D E B T O R H W J C	Husband, Wife, Joint, or Community		C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY	
		DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN							
Account No.									
Dept. of Labor & Industry Office of Chief Counsel Unemployment Compensation Tax Matters 301 Fifth Avenue, Suite 230 Pittsburgh, PA 15222	-	11/20/2000	State tax lien						
			State tax lien			X			
		Value \$	2,955,000.00				2,432.66	0.00	
Account No.		December 15, 2006	Judgment Lien						
Donald G. Kaltenbaugh 113 Beacon Hill Drive Cranberry Twp, PA 16066	-		Judgment entered at case no. AD 2006-1858						
		Value \$	2,955,000.00				65,523.45	0.00	
Account No.		1998	Judgment Lien						
First Capital Finance, Inc. c/o Peter C. Acker, Esquire 1860 East State Street Hermitage, PA 16148	-		Judgment entered in the Court of Common Pleas of Crawford County, PA						
		Value \$	2,955,000.00				189,521.90	0.00	
Account No.			Federal Tax Lien						
Internal Revenue Service Insolvency Unit P.O. Box 7346 Philadelphia, PA 19101	-		Judgment entered at case no. DSB 1999-248			X			
		Value \$	2,955,000.00				2,026.49	0.00	
Account No.		March 26, 2002	Judgment Lien						
Joseph J. & Isabel J. Prischak c/o John J. Mehler & Nicholas Pagliari MacDonald, Illig, Jones & Britton, LLP 100 State Street, Suite 700 Erie, PA 16507	-		Judgment entered at case no. 2002-166			X			
		Value \$	2,955,000.00				250,000.00	0.00	
Subtotal									
(Total of this page)								509,504.50	0.00

Sheet 2 of 4 continuation sheets attached to
Schedule of Creditors Holding Secured Claims

In re Trustees of Conneaut Lake Park, Inc.

Case No. 14-11277-JAD

Debtor

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS - AMENDED
(Continuation Sheet)

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions.)	C O D E D E B T O R	H U S B A N D, W I F E, J O I N T, O R C O M M U N I T Y	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
Account No.			June 1, 2006					
Joseph J. & Isabel J. Prischak c/o John J. Mehler & Nicholas Pagliari MacDonald, Illig, Jones & Britton, LLP 100 State Street, Suite 700 Erie, PA 16507	-		Judgment Lien Judgment entered at case no. 2006-451			X		
Value \$			2,955,000.00				574,089.31	0.00
Account No.			May 21, 2004					
Mercer County State Bank 16411 Conneaut Lake Road Meadville, PA 16335	-		Mortgage Mortgage					
Value \$			2,955,000.00				75,597.61	0.00
Account No.			July 26, 2006					
Pennsylvania Department of Revenue Dept. 280946 Harrisburg, PA 17128	-		Judgment Lien Judgment entered at case no. DSB 2006-671			X		
Value \$			2,955,000.00				500.01	0.00
Account No.			November 21, 2006					
Pennsylvania Department of Revenue Dept. 280946 Harrisburg, PA 17128	-		Judgment Lien Judgment entered at case no. DSB 2006-1032			X		
Value \$			2,955,000.00				641.32	0.00
Account No.			November 16, 2014					
Quinn, Buseck, Lemhuis, Toohey & Kroto 2222 West Grandview Blvd. Erie, PA 16506	-		Judgment Lien Judgment entered at case no. AD 2014-655					
Value \$			2,955,000.00				8,889.46	0.00
Subtotal (Total of this page)							659,717.71	0.00

Sheet **3** of **4** continuation sheets attached to
Schedule of Creditors Holding Secured Claims

In re Trustees of Conneaut Lake Park, Inc.
Debtor

Case No. 14-11277-JAD

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS - AMENDED
(Continuation Sheet)

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions.)	C O D E D E B T O R H W J C	Husband, Wife, Joint, or Community		C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
		DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN						
Account No.								
Sadsbury Township c/o Charles Thomas, Esquire Thomas, Spadafore & Walker, LLP 935 Market Street Meadville, PA 16335	-							
			Tax Lien					
			Tax lien					
		Value \$	2,955,000.00				12,211.20	0.00
Account No.								
Summit Township c/o William Walker, Esquire Thomas, Spadafore & Walker, LLP 935 Market Street Meadville, PA 16335	-							
			June 7, 2000					
			Judgment Lien					
			Judgment entered at case no. MLD 2000-210					
		Value \$	2,955,000.00				2,794.66	0.00
Account No.								
Summit Township c/o William Walker, Esquire Thomas, Spadafore & Walker, LLP 935 Market Street Meadville, PA 16335	-							
			Tax Lien					
			Municipal tax lien					
		Value \$	2,955,000.00				43,928.08	0.00
Account No.								
US Foodservice Burns Avenue & Cann Altoona, PA 16601	-							
			January 22, 2008					
			Judgment Lien					
			Judgment entered at case no. DSB 2008-33					
		Value \$	2,955,000.00				20,218.21	0.00
Account No.								
		Value \$						
Subtotal (Total of this page)							79,152.15	0.00
Total (Report on Summary of Schedules)							2,766,452.82	0.00

Sheet **4** of **4** continuation sheets attached to
Schedule of Creditors Holding Secured Claims

EXHIBIT B

ZONING DATA TABLE (REFERENCE SUMMIT TOWNSHIP ZONING ORDINANCE 2002-5)	
ZONING DISTRICT:	BUSINESS (B-1)
MINIMUM LOT WIDTH:	75'
MINIMUM LOT AREA:	10,500 SQ. FT.
FRONT YARD (STREET SIDE) SETBACK:	20'
REAR YARD SETBACK:	10'
EXTERIOR SIDE YARD SETBACK:	20'
SIDE YARD SETBACK:	0' FOR LOT INTERIOR*
* LOT INTERIOR IS DEFINED AS: A LOT, WHICH ABUTS AND IS ADJACENT TO ANOTHER LOT AND DOES NOT ABUT A STREET ON MORE THAN ONE LOT LINE, A LOT OTHER THAN A CORNER.	

LEGEND	
	UTILITY POLE
	UTILITY POLE ANCHOR
	LIGHT POLE
	UTILITY POLE WITH LIGHT FIXTURE
	OVERHEAD ELECTRIC
	ELECTRIC METER
	HYDRANT
	VALVE
	WATERLINE
	GAS VALVE
	GAS LINE MARKER
	GAS LINE
	TELEPHONE LINE
	TELEPHONE TRANSFORMER
	MANHOLE
	SANITARY SEWER
	SUBJECT PROPERTY LINE
	EXISTING CONTOURS (APPROXIMATE)
	PROPERTY LINE
	SUBJECT PROPERTY LINE PROJECTION (SEE NOTE 4.)
	EDGE OF R-O-W TO BE RELOCATED
	IRON PIN FOUND
	IRON PIPE FOUND
	IRON PIN SET
	WATER EDGE

No.	Date	Revisions	By
2/16/16		REAR YARD SET BACK TYPOGRAPHICAL CORRECTION	JCF
2/11/16		ISSUED FOR REVIEW & APPROVAL	JCF
2/4/16		LOT RECONFIGURATION	JCF

<p>Surveyor's Seal</p>	<p style="text-align: center;">IMPORTANT NOTES</p> <ul style="list-style-type: none"> The designs and/or specifications as shown on this drawing, and/or any copy thereof, are the exclusive property of Porter Consulting Engineers, P.C. in accordance with all applicable copyright laws. Any use or reproduction of the drawing or its contents without the expressed written authorization of Porter Consulting Engineers, P.C. is prohibited and shall be considered unlawful. This drawing is not intended or approved for final use unless it bears the Seal and Signature of the professional in responsible charge of the associated designs, and the drawing shall be considered preliminary and for review purposes only until it has been signed "Approved by" L. Ashley Porter, P.E.
<p>Surveyor's Signature: William J. Mechenburg, Jr., P.L.S. Lic. No. SU-050810-E</p>	

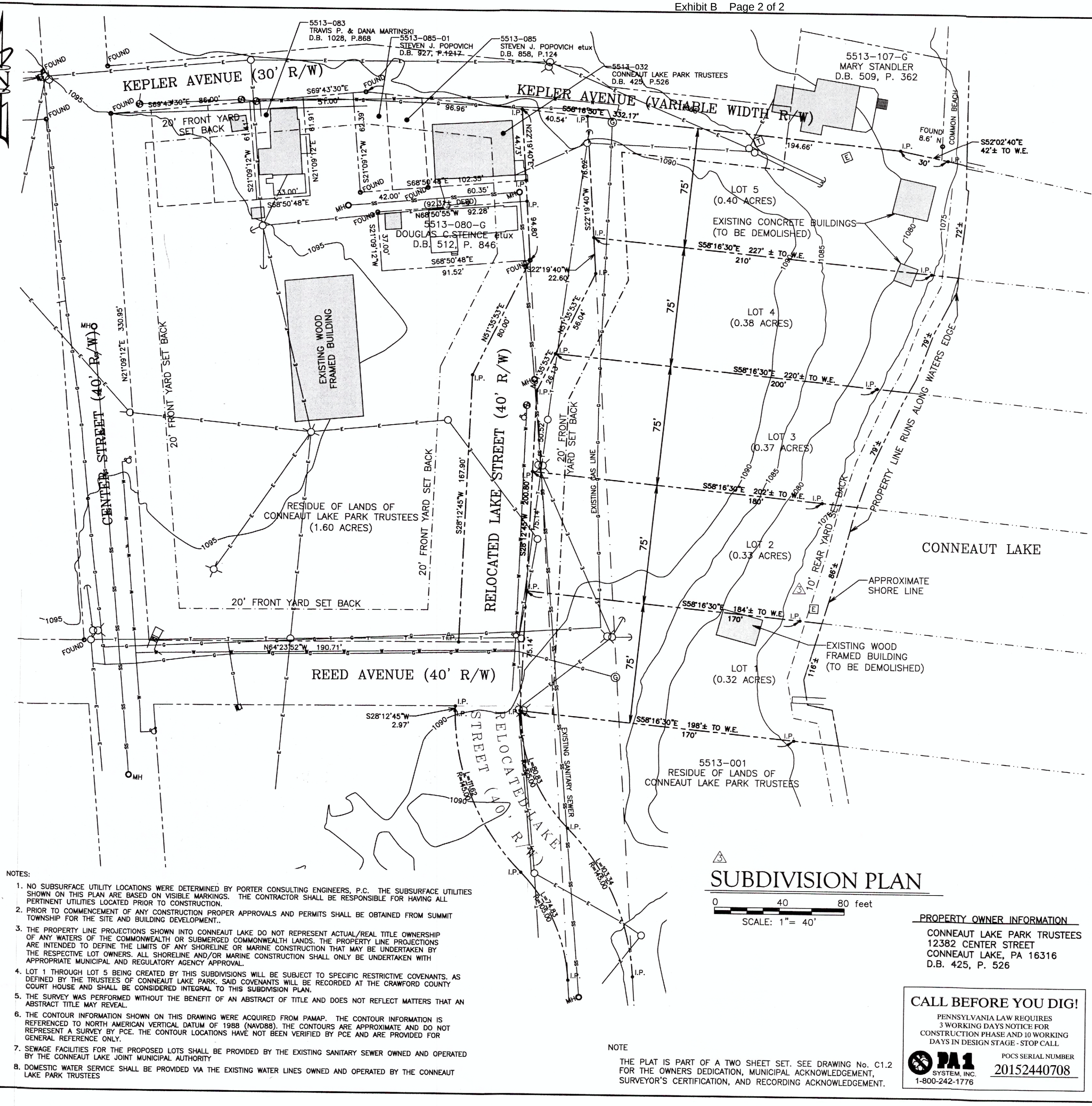
<p style="font-size: 2em; font-weight: bold;">PCE</p>	<p>Meadville Office: 552 State Street Meadville, Pennsylvania 16335 Phone: (814) 337-4447 Fax: (814) 333-3760</p> <p>Erie Office: 2702 Zuck Road Erie, Pennsylvania 16506 Phone: (814) 455-5544 Fax: (814) 455-6033</p> <p style="text-align: right;">www.pccengineers.com</p>
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Porter Consulting Engineers, P.C.
Developing Engineered Solutions To Meet Your Project Needs

**TRUSTEES OF CONNEAUT LAKE PARK
SUMMIT TOWNSHIP, CRAWFORD COUNTY
LAKE FRONT SUBDIVISION No. 1**

SUMMIT TOWNSHIP, CRAWFORD COUNTY, PENNSYLVANIA

File No.: 12038-1504-F	Drawn by: JAMES D. KLECK / JASON C. FLECK	Drawing No. C1.1
Scale: SHOWN	Checked by: 	
Date: 1/15/16	Approved by: 	



- NOTES:
- NO SUBSURFACE UTILITY LOCATIONS WERE DETERMINED BY PORTER CONSULTING ENGINEERS, P.C. THE SUBSURFACE UTILITIES SHOWN ON THIS PLAN ARE BASED ON VISIBLE MARKINGS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR HAVING ALL PERTINENT UTILITIES LOCATED PRIOR TO CONSTRUCTION.
 - PRIOR TO COMMENCEMENT OF ANY CONSTRUCTION PROPER APPROVALS AND PERMITS SHALL BE OBTAINED FROM SUMMIT TOWNSHIP FOR THE SITE AND BUILDING DEVELOPMENT.
 - THE PROPERTY LINE PROJECTIONS SHOWN INTO CONNEAUT LAKE DO NOT REPRESENT ACTUAL/REAL TITLE OWNERSHIP OF ANY WATERS OF THE COMMONWEALTH OR SUBMERGED COMMONWEALTH LANDS. THE PROPERTY LINE PROJECTIONS ARE INTENDED TO DEFINE THE LIMITS OF ANY SHORELINE OR MARINE CONSTRUCTION THAT MAY BE UNDERTAKEN BY THE RESPECTIVE LOT OWNERS. ALL SHORELINE AND/OR MARINE CONSTRUCTION SHALL ONLY BE UNDERTAKEN WITH APPROPRIATE MUNICIPAL AND REGULATORY AGENCY APPROVAL.
 - LOT 1 THROUGH LOT 5 BEING CREATED BY THIS SUBDIVISIONS WILL BE SUBJECT TO SPECIFIC RESTRICTIVE COVENANTS, AS DEFINED BY THE TRUSTEES OF CONNEAUT LAKE PARK. SAID COVENANTS WILL BE RECORDED AT THE CRAWFORD COUNTY COURT HOUSE AND SHALL BE CONSIDERED INTEGRAL TO THIS SUBDIVISION PLAN.
 - THE SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE AND DOES NOT REFLECT MATTERS THAT AN ABSTRACT TITLE MAY REVEAL.
 - THE CONTOUR INFORMATION SHOWN ON THIS DRAWING WERE ACQUIRED FROM PAMAP. THE CONTOUR INFORMATION IS REFERENCED TO NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD88). THE CONTOURS ARE APPROXIMATE AND DO NOT REPRESENT A SURVEY BY PCE. THE CONTOUR LOCATIONS HAVE NOT BEEN VERIFIED BY PCE AND ARE PROVIDED FOR GENERAL REFERENCE ONLY.
 - SEWAGE FACILITIES FOR THE PROPOSED LOTS SHALL BE PROVIDED BY THE EXISTING SANITARY SEWER OWNED AND OPERATED BY THE CONNEAUT LAKE JOINT MUNICIPAL AUTHORITY
 - DOMESTIC WATER SERVICE SHALL BE PROVIDED VIA THE EXISTING WATER LINES OWNED AND OPERATED BY THE CONNEAUT LAKE PARK TRUSTEES

NOTE
THE PLAT IS PART OF A TWO SHEET SET. SEE DRAWING No. C1.2 FOR THE OWNERS DEDICATION, MUNICIPAL ACKNOWLEDGEMENT, SURVEYOR'S CERTIFICATION, AND RECORDING ACKNOWLEDGEMENT.

CALL BEFORE YOU DIG!

PENNSYLVANIA LAW REQUIRES
3 WORKING DAYS NOTICE FOR
CONSTRUCTION PHASE AND 10 WORKING
DAYS IN DESIGN STAGE - STOP CALL

POCS SERIAL NUMBER
20152440708
1-800-242-1776

EXHIBIT C

AGREEMENT FOR THE SALE AND PURCHASE OF REAL ESTATE

THIS AGREEMENT is made as of the 24th day of June, 2016,

between

the Trustees of Conneaut Lake Park, Inc.

(hereinafter referred to as "Seller")

having an office c/o 789 Bessemer Street, Meadville, PA 16335,

AND

Robert F. Naples and Donna L. Naples, husband and wife, or their affiliated family trust or

entity, (hereinafter referred to as "Purchaser")

having an address of 2135 Henn ~~Hide~~, Warren OH 44484:

Hyde

Whereas, in consideration of the mutual terms, covenants, conditions and agreements herein, and intending to be legally bound, it is hereby agreed, by and between the parties, as follows:

I. SALE:

Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller, subject to the covenants, conditions, and agreements contained herein, those certain lots, tracts, or parcels of being known as Lot 3 of the Trustees of Conneaut Lake Park Summit Township, Crawford County Lake Front Subdivision No. 1 as filed in the Crawford County Recorder's Office at Plan Book 27 p. 114-115 (the "Subdivision") (as attached hereto as Exhibit "A") containing approximately .37 acres, more or less, together with any improvements thereon and the privileges and appurtenances thereto appertaining and including all lake frontage of Lot 3 (which land, buildings and improvements are hereinafter referred to as the "Premises").

1
① 6% commission owed to R.
② excluds A
③ dock ~~rights~~ in front

2. PURCHASE PRICE:

The purchase price (hereinafter referred to as the "Purchase Price") which Purchaser agrees to pay to Seller and which Seller agrees to accept for the Premises is the sum of **\$260,000.00**, payable as follows:

A. An initial payment (hereinafter referred to as the "Deposit") of **\$10,000.00**, the receipt of which is acknowledged and being held in an escrow account by Passport Realty, LLC (hereinafter referred to as "Escrowee"), a real estate broker licensed in Pennsylvania and having offices at 240 West 11th Street, Suite B-050, Erie, PA 16501, until Closing (as hereinafter defined) or the earlier permitted termination of this Agreement; and,

B. The balance of **\$250,000.00** at Closing, in cash or bank cashier's check or wire transfer.

In the event that Escrowee is joined in any suit or action at law by Seller or Purchaser with regard to return to Purchaser, or forfeiture to Seller, of the Deposit, then Seller and Purchaser hereby jointly and severally agree to indemnify Escrowee from and against any and all claims, damages, costs of suit, costs of defense and attorney's fees arising from any such suit or action at law. Escrowee shall be entitled to interplead the Deposit to the United States Bankruptcy Court for the Western District of Pennsylvania (the "Court") in the event that a dispute over ownership of the Deposit arises and is not satisfactorily resolved between Purchaser and Seller within thirty (30) days of the receipt by Purchaser and Seller of written notice from Escrowee of any such dispute.

3. CLOSING:

A. The purchase and sale of the Premises shall be closed (hereinafter referred to as the "Closing") and a special warranty deed for the Premises (together with any necessary affidavits and, where applicable, any necessary corporate resolution) shall be delivered by Seller and received at the office of Purchaser's attorney thirty (30) days after satisfaction, removal or waiver by Purchaser of the contingencies listed in Section B below, but no later than August 31, 2016 (hereinafter referred to as the "Closing Date" or "Date of Closing").

B. This Agreement and Seller's and Purchaser's obligation to close on the purchase of the Premises shall be conditioned upon the satisfaction of all of the following, at least 10 days prior to the date set for Closing:

- (1) Seller's receipt of a final Order of the Court authorizing the sale of the Premises to Purchaser and a release of the Purchaser from the previously executed

Court Order authorizing the sale of Lot 5 of the Subdivision; and

(2) Delivery of a HUD-Statement in a form reasonably acceptable to Purchaser and Seller.

In the event that Purchaser is unable to satisfy the conditions set forth hereinabove within the times allowed to do so, then Purchaser shall be entitled, but not obligated, to cancel and terminate this Agreement by serving written notice on Seller before the expiration of said allowed time(s), in which event the Deposit shall be promptly returned to Purchaser, along with interest earned thereon, if any, while the Deposit was held in escrow. Purchaser shall not have any other claims for damages due to the termination of this Agreement due to the failure of the conditions set forth in this paragraph 3.

Seller and Purchaser agree and hereby acknowledge that the within sale is subject to approval of the Court (as hereinafter defined), which Court has jurisdiction over the sale of the Premises, and will be subject to the solicitation of higher and better offers at the sale hearing. In the event Purchaser is not the successful bidder at the hearing seeking approval of the Sale, Purchaser shall be entitled to the prompt return of the Deposit, along with interest earned thereon, if any, while the Deposit was held in escrow. Purchaser shall not have any other claims for damages due to the termination of this Agreement due to the failure of the conditions set forth in this paragraph 3. The distribution of the proceeds after Closing will be subject to further Order issued by the Court.

4. DEED:

Subject to approval of the within sale and purchase by the Court, Seller, at Closing, shall execute and deliver to Purchaser a special warranty deed conveying good and marketable fee title to the Premises free from any and all liens or encumbrances, charitable use restrictions, except for: (a) matters visible upon an inspection of the Premises; (b) governmental laws, ordinances, rules and restriction; (c) utility easements of record; (d) any approved subdivision plan and related rules and regulations and, (e) matters to which Purchaser's title insurance company shall agree. Title shall be insurable at standard rates by any reputable title insurance company selected by Purchaser.

The Purchaser acknowledges that the Subdivision is subject to the Declaration of Protective Covenants and Lot Use Restrictions as filed in the Crawford County Recorder's Office at Record Book 1243, p. 96 (attached hereto as Exhibit "B").

5. ENTRY ON PROPERTY:

Purchaser, its agents, employees, servants, or nominees, shall be granted the right to enter on all or any portion of the Premises for the purpose of undertaking or performing any engineering, geological, ecological, environmental, soil, surveying, or other work as may be reasonably necessary or appropriate for the preparation of any plans, surveys, reports, applications, and

maps for the subdivision or development thereof. Purchaser's entry onto the Premises shall be made: (i) pursuant to at least 48 hours prior notice to Seller; (ii) in such a manner and at such times as to minimize any disturbance to, or disruption of, Seller's business (if any); and, (iii) with the express agreement that Purchaser shall repair any damage to the Premises and shall indemnify and hold harmless Seller from and against any and all claims or damages whatsoever given rise to as a result of said entry by Purchaser.

6. CONDITION OF PREMISES AT CLOSING:

Seller shall deliver the Premises, as of the date of Closing, to Purchaser free and clear of all personal property, fixtures or equipment, and in substantially the same condition as the Premises is in as of the date hereof.

7. NOTICES:

Any notice or other communication given by either party hereto to the other relating to this Agreement shall be sent by certified or registered mail, return receipt requested, or by recognized national overnight courier (such as Federal Express), proof of delivery requested, addressed to such other party at the respective addresses set forth above.

8. ASSESSMENTS:

If, at Closing, the Premises or any part thereof shall be or shall have been affected by an assessment or assessments which are or may become payable in annual installments of which the first installment is then due or has been paid, then, for the purposes of this Agreement, all the unpaid installments of any such assessment for the period prior to Closing, including those which are to become due and payable after Closing, shall be deemed to be due and payable and to be liens upon the Premises, and shall be paid and discharged by Seller at or before Closing.

What is this?

9. BROKER:

By separate agreement, it has been agreed that Seller shall not pay a commission to Passport Realty, LLC ("Broker"). The term "Broker," as used herein, includes Broker's agents, employees, and sub-agents (jointly and severally, in the case of indemnification as described hereinafter). Each party represents to the other that they dealt with no other brokers. Seller and Purchaser hereby specifically consent, warrant, allow, agree, understand and acknowledge that:

- A. Broker has, prior to the date hereof and prior to the negotiations conducted between the parties relating to this Agreement, disclosed that Broker is acting in the transaction contemplated under this Agreement as a Seller's Agent. Seller and Purchaser hereby acknowledge receipt of advice as to the effect of Broker's agency, and Seller and Purchaser hereby confirm that they have each read and understand the Consumer Notice

published by the Pennsylvania Association of REALTORS®, incorporated herein by reference and attached hereto as Exhibit "C".

B. Except in the case of fraud, willful wrongdoing, or willful negligence, Seller and Purchaser, jointly and severally, hereby indemnify Broker, its agents and employees, jointly and severally, from and against any and all costs, damages, charges, costs of defense, or claims (of any nature whatsoever) caused by, related to or arising from this Agreement, and/or the transaction contemplated under this Agreement.

C. Broker, its agents and employees, shall NOT be held responsible for the performance or non-performance of the respective obligations of Seller and Purchaser hereunder. Seller and Purchaser have entered into this Agreement of their own will and have not relied on any verbal statement of Broker, its agents or employees, with relation hereto. Broker is hereby authorized by Seller and Purchaser to enforce the provisions of this Article as they relate to Broker's rights hereunder.

D. Purchaser has inspected the Premises personally and is familiar with its visible site characteristics, and is not relying on any statement of Broker in entering into this Agreement.

E. Purchaser is not a licensed real estate salesperson or broker in the Commonwealth of Pennsylvania.

F. In the event of a default by Purchaser hereunder or in the event that Purchaser does not close hereunder for any other reason, and pursuant to which Seller receives a settlement, liquidated damages, or all or part of the Deposit, Seller agrees that Broker shall be entitled to collect from Seller the lesser of: (i) 50% of such settlement, liquidated damages or portion of the Deposit; or, (ii) the amount which Broker would have, absent a default by Purchaser, otherwise been entitled to receive as its commission hereunder.

10. ASSIGNMENT:

This Agreement may be assigned by Purchaser, in whole or in part, without Seller's consent to any family trust or similar entity, provided that Purchaser shall remain primarily liable hereunder until Closing to the extent authorized by the Court.

11. BINDING EFFECT:

This Agreement shall be binding upon Seller and Purchaser and shall inure to the benefit of the heirs, successors, and assigns of the respective parties hereto.

12. CLOSING COSTS:

Seller and Purchaser agree that this Agreement is and shall be subject to the following terms and conditions:

- A. Transfer taxes shall be apportioned as set forth below.
- B. Current assessments, real estate taxes, utility charges (if any), and sewer and water rents (if any) shall be pro-rated between the parties on a fiscal year basis. The unpaid assessments, real estate taxes, utility charges and sewer and water rents pre-dating the Seller's bankruptcy will remain the sole obligation of the Seller.
- C. Purchaser hereby acknowledges that, in commercial real estate transactions, some closing costs are difficult to ascertain, and Purchaser should therefore retain an accountant and/or attorney to accurately determine same. Purchaser further acknowledges that it shall be responsible for certain costs, including, but not limited to, the following:
- 1% of the Purchase Price for transfer taxes;
 - 0% of the Purchase Price for real estate commissions;
 - ~~Appraisal and credit application fees~~ relating to Purchaser's mortgage, if applied
 - Title insurance, title report, if ordered by Purchaser;
 - Survey fees, if any;
 - Environmental studies, if any;
 - Real estate tax pro-rations for the current year and/or escrows for the next year;
 - and
 - Attorney's fees for representation at Closing and document review/preparation.
- D. Seller hereby acknowledges that, in commercial real estate transactions, some closing costs are difficult to ascertain, and Seller should therefore retain an accountant and/or attorney to accurately determine same. Seller further acknowledges that it shall be responsible for certain costs, including, but not limited to, the following:
- 1% of the Purchase Price for transfer taxes;
 - ~~pro-rations for unpaid real estate taxes, utilities and assessments, and,~~
 - Attorney's fees for representation at Closing and document review/preparation.

13. DEFAULT:

- A. If Purchaser defaults hereunder, Seller shall retain the Deposit as full liquidated damages and Seller shall have no other recourse thereafter.
- B. If Seller defaults hereunder, Purchaser shall be limited to recovering its Deposit.

14. ZONING:

The Premises is zoned for residential purposes.

15. HIGHWAY ACCESS/DRIVEWAYS:

Curb cuts and driveway entrances onto public streets adjacent to the Premises may require a Highway Occupancy Permit from the Pennsylvania Department of Transportation and/or Summit Township

16. DEPOSIT AND RECOVERY FUND:

Escrowee/Broker may hold any deposit check uncashed pending acceptance or rejection of this Agreement by both Seller and Purchaser. Thereafter, any deposit shall be held in an insured, interest-bearing escrow account until Closing or the earlier termination or expiration hereof. A Real Estate Recovery Fund exists to reimburse any persons who have obtained a final civil judgement against a Pennsylvania real estate licensee owing to fraud, misrepresentation or deceit in a real estate transaction and who have been unable to collect the judgement after exhausting all legal and equitable remedies. For complete details about the Fund, call (717) 783-3658.

17. GOVERNING LAW and MISCELLANEOUS CONDITIONS:

- A. This Agreement shall be governed under and construed under the laws of the Commonwealth of Pennsylvania and the laws applicable to the Court.
- B. Time shall be of the essence with regard to the performance of the respective rights and obligations of Seller and Purchaser hereunder.
- C. Failure of either party hereto to enforce any particular provision of this Agreement shall not create a waiver of that party's right(s) to enforce any other provision hereof.
- D. If any section, term or provision of this Agreement is legally unable to be satisfied or performed, then each and every other section, term or provision hereof shall remain in full force and effect.
- E. This Agreement shall not be considered to have been drafted by either of the parties hereto, but, rather shall be considered to have been negotiated and drafted by both of the parties hereto equally, fairly, fully and at arm's length.
- F. Formal tender of Deed and Purchase Price is hereby waived.

G. All negotiations had between the parties hereto prior to the mutual execution hereof are merged into this Agreement. Notwithstanding that either or both parties may expend substantial efforts and sums in anticipation of entering into this Agreement, the parties acknowledge that in no event will this Agreement, until and unless it is mutually fully executed and delivered, be construed as an enforceable contract to sell or purchase or lease the Premises, and each party hereby accepts the risk that no such contract will be created. Until and unless this Agreement is mutually fully executed and delivered, either party hereto reserves the right to terminate negotiations with the other. Unless and until this Agreement is mutually fully executed and delivered, neither party hereto shall be bound to further negotiate in good faith or otherwise.

H. The use of one gender hereunder shall include the other. The use of the singular shall include the plural, and the use of the plural shall include the singular.

I. Seller shall not enter into any new lease(s), additional lease(s) or lease extension(s) for the Premises or any part thereof during the term of this Agreement without the specific prior written consent of Purchaser.

J. In the event that either party hereto institutes legal proceedings with respect to any failure on the part of the other party to perform hereunder, then the party that prevails in such proceedings shall have its actual and reasonable legal fees paid by the non-prevailing party. In the event that the proceedings result in any split award or partial award, then the predominantly prevailing party's legal fees shall be reimbursed by the non-prevailing party on a proportionate and equitable basis. The parties hereto agree to submit any dispute under hereunder to the Court.

K. This Agreement may be executed in several counter-parts and each such counter-part executed by one party hereto, when combined with a counter-part executed by the other party hereto, shall be considered one mutually-executed integral document.

18. NOTICE BEFORE SIGNING:


When signed by both parties hereto, this is a legal contract. Purchaser and Seller hereby acknowledge that Broker(s) have advised them to consult and retain experts concerning the legal and tax effects of this Agreement and the completion of the sale, as well as the condition and/or legality of the Premises, including but not limited to, the Premises' improvements, equipment, soil, tenancies, title and environmental aspects. Return by facsimile transmission (fax) of this Agreement, bearing the signatures of the parties hereto, constitutes acceptance of this Agreement by said parties.

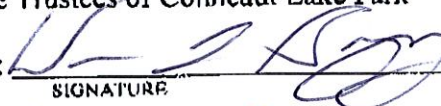
[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, and intending to be bound under the Pennsylvania Uniform Written Obligations Act, the parties hereto have executed this Agreement on the day and year below written.

WITNESS

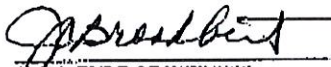
SELLER:



SIGNATURE OF WITNESS
MARK E. TURNER
PRINT NAME OF WITNESS
7/19/2016
DATE OF SIGNATURE

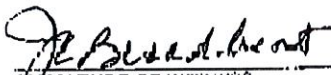
The Trustees of Conneaut Lake Park
By: 
SIGNATURE
WILLIAM H. BRAGG
PRINT NAME AS IT IS SIGNED ABOVE
7/19/2016
DATE OF SIGNATURE


WITNESS

PURCHASER:


SIGNATURE OF WITNESS
JANE BROADBENT
PRINT NAME OF WITNESS
07/05/2016
DATE OF SIGNATURE

Robert F. and Donna L. Naples
By: 
ROBERT F. NAPLES
7/5/16
DATE OF SIGNATURE


SIGNATURE OF WITNESS
JANE BROADBENT
PRINT NAME OF WITNESS
07/05/2016
DATE OF SIGNATURE

By: 
DONNA L. NAPLES
7-5-16
DATE OF SIGNATURE

NOTE Its 2135 Henn Hyde Rd
Hyde