

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT  
NEW HAVEN DIVISION**

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In re:	:	CHAPTER 11
	:	
500 NORTH AVENUE, LLC	:	CASE NO. 14-31094 (AMN)
	:	
Debtor.	:	
		X

**SIXTH AMENDED DISCLOSURE STATEMENT**

On June 6, 2014 (the “Petition Date”), 500 North Avenue, LLC (the “Company” or “Debtor”), a Connecticut limited liability company, filed a voluntary petition for reorganization pursuant to Chapter 11 of the United States Code (the “Code”) with the United States Bankruptcy Court for the District of Connecticut (the “Court”). The Company has filed, together with this Amended Disclosure Statement, its proposed Sixth Amended Plan of Reorganization (the “Plan”). Pursuant to Section 1125 of the Code, the Company has prepared and filed this Sixth Amended Disclosure Statement (the “Statement”) along with the Plan for the Court’s approval for submission to the holders of claims and interests with respect to the Company and its assets. The purpose of this Statement is to provide the holders of claims against or interests in the Company with adequate information about the Company and the Plan to make an informed judgment about the merits of approving the Plan.

**NO REPRESENTATIONS CONCERNING THE COMPANY (PARTICULARLY AS TO THE VALUE OF ITS PROPERTY) ARE AUTHORIZED BY THE COMPANY OTHER THAN AS SET FORTH IN THIS STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF THE PLAN WHICH ARE OTHER THAN AS CONTAINED IN THIS STATEMENT SHOULD NOT BE RELIED UPON BY ANY CREDITOR. THE INFORMATION CONTAINED IN THIS**

**STATEMENT HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. THE RECORDS KEPT BY THE COMPANY ARE NOT WARRANTED OR REPRESENTED TO BE WITHOUT ANY INACCURACY ALTHOUGH EVERY EFFORT HAS BEEN MADE TO BE ACCURATE. APPROVAL OF THIS DISCLOSURE STATEMENT BY THE COURT DOES NOT CONSTITUTE A RECOMMENDATION AS TO THE MERITS OF THE PLAN.**

**I.  
GENERAL HISTORY**

500 North Avenue, LLC is a Connecticut limited liability company organized on April 24, 2006 and primarily engaged in the business of acquiring and managing real estate properties. The Company currently owns seven properties in Connecticut. One of the properties is a 4000 square foot plot of land located at 3060 Main Street, Stratford, Connecticut (the “Main Street Parcel”). The Company believes title to this land is in the name of 3044 Main, LLC, a predecessor to the Company. The current value of this plot of land is unknown. The Debtor is currently analyzing the Main Street Parcel for its sale potential. In some instances, acquisitions of existing properties, whether vacant land or existing structures were obtained by receiving properties under distressed debt situations. In those situations, the Company has attempted to rehabilitate the properties to create rental income for the further development of the properties.

In 2013, the Debtor finalized mergers with five (5) business entities, with the Debtor as the surviving company of each merger. Specifically, the Debtor merged with 314 Bridgeport Avenue, Inc. (“314 Bridgeport”), 3044 Main, LLC (“3044 Main”), Regensburger Enterprises, Inc. (“REI”), AllStar Sanitation, Inc. (“AllStar”) and Greenwood Manor LLC (“Greenwood”, and collectively with 314 Bridgeport, 3044 Main, REI and Allstar, the “Merged Companies”). All of the Merged Companies, with the exception of AllStar, were engaged in the business of

acquiring and managing real property in Connecticut. The Debtor has continued to engage in this business.

AllStar was engaged in the business of garbage collection and recycling in the Bridgeport, Connecticut area. Prior to the merger, it lost its license to operate a recycling facility and ceased operating its garbage collection business. In addition, AllStar had commenced suit against the Bridgeport-Jefferson Ferry Co. and other entities relating to issues with a garbage collection contract and alleged interference with that contract. The Debtor, subsequent to the merger, succeeded to all of AllStar's rights and interest under the pending lawsuit.

Due primarily to prolonged periods during which its properties were without tenants and cash flow, several of the Debtor's properties were subject to foreclosure actions and judgments entered by the state court. Accordingly, the Debtor was forced to file for Chapter 11 reorganization to restructure its debt to enable it to create the most value for it and its creditors.

## **II. ACTIVITY SINCE THE PETITION DATE**

Shortly after the Petition Date, Manuel Moutinho, as Trustee for Mark IV Construction Company Inc. 401(k) Savings Plan ("Moutinho, Trustee") filed motions for relief from stay or for payment of adequate protection related to five (5) of the Debtor's properties. After lengthy negotiations, the Debtor reached agreements on the payment of monthly adequate protection payments as well as payments regarding tax obligations on the Debtor's properties on which Moutinho, Trustee holds a mortgage interest. The agreements are set forth in a stipulated order dated October 1, 2014. The Debtor has made the agreed upon adequate protection payments regarding these properties except for the property located at 2060-2068 East Main Street, Bridgeport, Connecticut. Since it was unable to locate a tenant and the costs of maintaining the property had become unmanageable, the Debtor abandoned its interest in the property located at

2060-2068 East Main Street and 28 York Street, Bridgeport, Connecticut. By order dated April 1, 2015, the Court approved a stipulation between the Company and Moutinho, Trustee providing him with relief from the automatic stay to complete his foreclosure on this property. Title to this property was conveyed to Moutinho, Trustee through the foreclosure action shortly thereafter.

The Estate of Edward Colacurcio and Roger Colacurcio (the “Colacurcios”) filed a motion for payment of adequate protection related to the Debtor’s properties at 795 James Farm Road and Peters Lane, Lot 19, Stratford, Connecticut. The Debtor has reached an agreement with the Colacurcios under which it has been making tax payments since August, 2014 and adequate protection payments to the Colacurcios since September, 2014.

In October, 2014, the Company filed motions seeking determination under Section 506 of the Code as to the valuation of its properties and the extent of the liens held on its properties.

On June 17, 2015 the Court held a hearing and granted the Debtor’s Section 506 motion with regard to its property located at 795 James Farm Road and Peters Lane, Lot 19, Stratford, Connecticut, thereby finding that the junior lien holders on that property (liens recorded after the mortgage held by Edward P. Colacurcio and Roger K. Colacurcio) will be treated as unsecured claims. The Court entered orders providing similar relief regarding its 10 Fifth Avenue, Stratford and 1794-1798 Barnum Avenue, Bridgeport properties on July 13, 2015. Pursuant to orders dated August 18, 2015, the Court granted the Debtor’s Section 506 motions with regard to its properties located at 512 North Avenue, Bridgeport, Connecticut and 314 Bridgeport Avenue, Milford, Connecticut.

Since the Petition Date, the Debtor has received income from tenants at 1794-1798 Barnum Avenue, Bridgeport, Connecticut, 314 Bridgeport Avenue, Milford, Connecticut and

512 North Avenue, Bridgeport, Connecticut as well as from holders of options to purchase or lease these properties (as discussed in Section V.C. herein) and the Debtor's property located at 10 Fifth Avenue, Stratford, Connecticut. The Debtor has utilized its income to maintain its properties and make adequate protection and tax payments. The Debtor has obtained cash collateral orders commencing in September 2014 authorizing the use of rents from its property at 1794-1798 Barnum Avenue, Bridgeport. The Debtor has also continued its efforts to obtain (i) building permits and zoning approvals to proceed with its development plans for 512 North Avenue, Bridgeport, and (ii) zoning approvals for its development plans for 795 James Farm Road and Peters Lane, Stratford. The Debtor has settled claims against third parties, Bridgeport-Port Jefferson Ferry Co. and Winter Bros. Waste Systems of CT, LLC and Winters Bros. Hauling of CT, LLC. Its settlement with the Bridgeport-Port Jefferson Ferry Co was approved by order of the Bankruptcy Court on August 26, 2014 and the Bankruptcy Court approved its settlement with Winter Bros. Waste Systems of CT, LLC and Winters Bros. Hauling of CT, LLC by order dated March 8, 2017 . Since the Petition Date, the Debtor has also worked to recover payments and enter into payment plans with its account debtors which it believes will enable it to make the payments set forth in the Plan.

In summary, since the Petition Date, the Debtor has generated \$638,679.56 in revenues through January 2017 which have been used to satisfy more than \$550,000 in adequate protection and post-petition tax obligations. In addition, the Company has used its revenues since the Petition Date to maintain its properties and pay utility and insurance costs. A summary report of Debtor's post-petition income and expenses which was included in Debtor's monthly operating report for January 2017 is attached hereto and made a part hereof as Exhibit F.

The Debtor is current on its post-petition real property tax obligations. Pursuant to the terms of a consent order with the City of Bridgeport dated February 5, 2013 and zoning authority obtained from the City of Bridgeport, the Debtor plans to develop and lease its 512 North Avenue Property as an adult entertainment facility. The Debtor has received an offer to lease the 512 North Avenue Property upon confirmation of its Plan at \$7,500 per month from Keeper's, Inc. Keeper's, Inc. ("Keeper's") is a Connecticut corporation formed in 1999 and has operated a bar and adult entertainment facility in Milford, Connecticut for more than ten years. The Equity Holder had been an owner of Keeper's. Since April 2015 Keeper's has been owned by Julia Kish. Mrs. Kish is married to Gus Curcio, Sr., the Debtor's manager. Keeper's has provided the Debtor with financial information which reflects that it generated revenues in excess of \$1MM for years 2015 and 2016. Moreover, Keeper's balance sheet shows assets in excess of its liabilities as of December 31, 2015. Pursuant to the proposed lease, Keeper's has committed to funding the costs of construction associated with completing the proposed adult entertainment facility at the 512 North Avenue Property. The Debtor estimates the costs of construction will be in the range of \$500,000 to \$600,000 (exclusive of the tenant's costs associated with furniture, fixtures, and equipment). Keeper's has advised the Debtor that it anticipates construction to be complete within twelve months after it takes occupancy of the premises and that it will fund the cost of construction from its existing assets and proceeds from its ongoing business operations. Prior to the confirmation of the Plan, the Debtor received periodic \$10,000 option payments from Keeper's, Inc. to keep this lease proposal in place pending confirmation of the Plan. Keeper's, Inc. has agreed not to seek any recovery from the Debtor's estate for the option payments it has made to the Debtor's estate.

The Debtor is owed money on account of pre-petition loans or advances made to twenty-four entities. The Debtor does not have promissory notes or other writings from the account debtors to evidence their obligations to the Debtor. The Debtor has analyzed the obligations and the financial capability of the account debtors. Six of the account debtors (Greenwood Estates, Sunrise Athletic Club, Robin Cummings, Double JR, Inc., Coastal Sanitation, Inc, and Coastal Recycling, Inc.) are individuals with limited income or businesses that no longer operate and have no apparent available assets to satisfy any claim asserted by the Debtor. The Debtor has determined that pursuit of these account debtors would be futile and not an effective use of estate resources. Three of the account debtors, Recycling, Inc., GAMK Holdings, Inc. and Jack Dempsey's, Inc. are in pending Chapter 11 cases. The Debtor has filed proof of claim in those cases but does not expect to receive any meaningful return from those estates. The Debtor intends to seek has sought court approval of the compromise of claims owed by Red Rose, Inc. and Gus Curcio, Sr. Upon approval of the compromises and confirmation of the Plan, each of these account debtors would pay obligations owed to the Debtor in full upon the terms and conditions set forth in the motion to approve compromise. The Debtor anticipates filing a motion to compromise its remaining twelve claims against account debtors seeking approval of compromises of those accounts.

### **III. PRE-PETITION DEBT**

The following claims as of the Petition Date were taken from the Company's schedules and from the proofs of claims filed by creditors. Where they conflict, the amounts from the proofs of claim have been used.

**A. Alleged Secured Claims**

**1. 314 Bridgeport Avenue, Milford, Connecticut**

a. MTAG Services, LLC and MTAG CAZ Creek CT, LLC held tax liens for real estate taxes in the approximate aggregate amount of \$46,000.00 by virtue of assigned tax liens from the City of Milford;

b. MTAG Services, LLC and MTAG CAZ Creek CT, LLC held sewer use liens in the approximate aggregate amount of \$1,100.00 by virtue of assigned sewer liens from the City of Milford;

c. Manuel Moutinho, Trustee for Mark IV Construction Company, Inc. 401(k) Savings Plan (“Moutinho, Trustee”) had a mortgage in the original principal amount of \$400,000.00;

d. Dade Realty Company had a mortgage in the original principal amount of \$500,000.00;

e. Red Buff Rita Inc. had a mortgage in the original principal amount of \$10,000.00;

f. 1794 Barnum Avenue, Inc. had a mortgage in the original principal amount of \$5,000.00;

g. Pay Phones Plus LLC had a mortgage in the original principal amount of \$5,000.00;

h. RIO Inc. had a mortgage in the original principal amount of \$5,000.00;

i. City Streets Inc. had a mortgage in the original principal amount of \$850.00;

j. Cell Phone Club Inc. had a mortgage in the original principal amount of \$850.00;

k. Out Law Boxing Kats Inc. had a mortgage in the original principal amount of \$850.00;

l. Millionair Club Inc. had a mortgage in the original principal amount of \$850.00

2. **512 North Avenue, Bridgeport, Connecticut**

a. The City of Bridgeport held tax liens for real estate taxes in the approximate aggregate amount of \$161,000;

b. MTAG CAZ Creek CT, LLC held tax liens for real estate taxes in the approximate aggregate amount of \$51,000 by virtue of assignment of real estate tax liens from the City of Bridgeport;

c. Moutinho, Trustee held a mortgage in the original principal amount of \$390,000.00;

d. DeKalb-Central Corporation had a mortgage in the original principal amount of \$310,000.00;

e. Red Buff Rita Inc. had a mortgage in the original principal amount of \$30,000.00;

f. 1794 Barnum Avenue, Inc. had a mortgage in the original principal amount of \$5,000.00;

g. RIO Inc. had a mortgage in the original principal amount of \$5,000.00;

h. Bridgeport Redevelopment Inc. had a mechanic's lien in the amount of \$450.00;

i. Albina Pires had a mortgage in the original principal amount of \$1,500.00;

- j. Millionair Club Inc. had a mortgage in the original principal amount of \$5,000.00;
- k. City Streets Inc. had a mortgage in the original principal amount of \$5,000.00;
- l. Out Law Boxing Cats Inc. had a mortgage in the original principal amount of \$5,000.00;
- m. Cell Phone Club Inc. had a mortgage in the original principal amount of \$5,000.00;
- n. Gus Curcio Jr. had a mortgage in the original principal amount of \$1,000.00;
- o. Robin Cummings had a mortgage in the original principal amount of \$800.00;
- p. Joseph Regensburger had a mortgage in the original principal amount of \$5,000.00;
- q. Dahill Donofrio had a mortgage in the original principal amount of \$2,000.00;
- r. The Estate of Faye Kish had a mortgage in the original principal amount of \$500.00;
- s. Dominique Worth had a mortgage in the original principal amount of \$500.00;
- t. Richard Urban had a mortgage in the original principal amount of \$1,200.00;

3. **795 James Farm Road, Stratford, Connecticut**

a. The Town of Stratford held tax liens for real estate taxes in the approximate aggregate amount of \$ 91,000;

b. The Estate of Edward P. Colacurcio and Roger K. Colacurcio hold a mortgage in the original principal amount of \$479,791.64;

c. Albina Pires had a mortgage in the principal amount of \$1,500.00;

d. Dahill Donofrio had a mortgage in the principal amount of \$2,000.00;

e. Joseph Regensburger had a mortgage in the principal amount of \$5,000.00;

f. Robin Cummings had a mortgage in the principal amount of \$800.00;

g. Red Buff Rita Inc. had a mortgage in the principal amount of \$10,000.00;

h. RIO Inc. had a mortgage in the principal amount of \$5,000.00;

i. Out Law Boxing Kats Inc. had a mortgage in the principal amount of \$1,750.00;

j. Cell Phone Club Inc. had a mortgage in the principal amount of \$1,750.00;

k. City Streets Inc. had a mortgage in the principal amount of \$1,750.00;

l. Millionair Club Inc. had a mortgage in the principal amount of \$1,750.00;

4. **1794-1796 Barnum Avenue, Bridgeport, Connecticut**

a. The City of Bridgeport held tax liens for real estate liens in the approximate aggregate amount of \$4,655.82;

b. Tower Lien LLC held tax liens for real estate liens in the approximate aggregate amount of \$38,342.00;

- c. Moutinho, Trustee had a mortgage in the original principal amount of \$175,000.00;
- d. Moutinho, Trustee had a mortgage in the original principal amount of \$100,000.00;
- e. Dade Realty Company had a mortgage in the original principal amount of \$500,000.00;
- f. Red Buff Rita Inc. had a mortgage in the original principal amount of \$10,000.00;
- g. 1794 Barnum Avenue, Inc. had a mortgage in the original principal amount of \$5,000.00;
- h. Oronoque 15 LLC had a mortgage in the original principal amount of \$5,000.00;
- i. The State of Connecticut had a tax lien in the amount of \$705.00;
- j. Bridgeport Redevelopment Inc. had a mechanic's lien in the amount of \$2,555.13;
- k. Albina Pires had a mortgage in the original principal amount of \$1,500.00;
- l. Gus Curcio Jr. had a mortgage in the original principal amount of \$1,000.00;
- m. Robin Cummings had a mortgage in the original principal amount of \$800.00;
- n. City Streets Inc. had a mortgage in the original principal amount of \$3,500.00;

- o. Cell Phone Club Inc. had a mortgage in the original principal amount of \$3,500.00;
- p. Out Law Boxing Kats Inc. had a mortgage in the original principal amount of \$3,500.00;
- q. Millionair Club Inc. had a mortgage in the original principal amount of \$3,500.00;
- r. Dahill Donofrio had a mortgage in the original principal amount of \$2,000.00;
- s. Richard Urban had a mortgage in the original principal amount of \$1,200.00;
- t. The Estate of Faye Kish had a mortgage in the original principal amount of \$500.00 ;
- u. Dominique Worth had a mortgage in the original principal amount of \$500.00;
- v. The State of Connecticut had a tax lien in the amount of \$335.00;
- w. Bridgeport Water Pollution Control Authority had liens in the aggregate amount of \$1,765.06;

**5. 10 Fifth Avenue, Stratford, Connecticut**

- a. Town of Stratford held tax liens for real estate taxes in the approximate amount of \$11,400.00;
- b. State Tax Collection Agency, LLC held tax liens in the approximate aggregate amount of \$23,500 for real estate tax liens assigned to it from the Town of Stratford;

- c. Moutinho, Trustee had a mortgage in the original principal amount of \$100,000.00;
- d. Robin Cummings had a mortgage in the original principal amount of \$50,000;
- e. Dade Realty Company I. LLC had a mortgage in the original principal amount of \$500,000.00;
- f. RIO, Inc. had a mortgage in the original principal amount of \$5,000.00;
- g. Oronoque 15 LLC had a mortgage in the original principal amount of \$5,000.00;
- h. Albina Pires had a mortgage in the original principal amount of \$1,500.00;
- i. Gus Curcio, Jr. had a mortgage in the original principal amount of \$1,000.00;
- j. Robin Cummings had a mortgage in the original principal amount of \$800.00;
- k. Joseph Regensburger had a mortgage in the original principal amount of \$5,000.00;
- l. City Streets, Inc. had a mortgage in the original principal amount of \$1,000.00;
- m. Cell Phone Club, Inc. had a mortgage in the original principal amount of \$1,000.00;
- n. Out Law Boxing Kats, Inc. had a mortgage in the original principal amount of \$1,000.00;

- o. Millionair Club, Inc. had a mortgage in the original principal amount of \$1,000.00;
- p. The Estate of Faye Kish had a mortgage in the original principal amount of \$500.00;
- q. Richard Urban had a mortgage in the original principal amount of \$1,200.00;
- r. Dahill Donofrio had a mortgage in the original principal amount of \$2,000.00;
- s. Dominique Worth had a mortgage in the original principal amount of \$500.00;
- t. The State of Connecticut had tax liens in the approximate aggregate amount of \$2,000.00.

**8. Peters Lane, Lot 19, Stratford, Connecticut**

- a. The Town of Stratford held tax liens for real estate taxes in the approximate aggregate amount of \$127,500.00;
- b. Edward and Roger Colacurcio held a mortgage in the original principal amount of \$500,000.00;
- c. Albina Pires had a mortgage in the original principal amount of \$1,500.00;
- d. Dahill Donofrio had a mortgage in the original principal amount of \$2,000.00;
- e. Joseph Regensburger had a mortgage in the original principal amount of \$5,000.00;

- f. Robin Cummings had a mortgage in the original principal amount of \$800.00;
- g. Red Buff Rita Inc. had a mortgage in the original principal amount of \$10,000.00;
- h. RIO Inc. had a mortgage in the original principal amount of \$5,000.00;
- i. Out Law Boxing Kats Inc. had a mortgage in the original principal amount of \$1,750.00;
- j. City Streets Inc. had a mortgage in the original principal amount of \$1,750.00;
- k. Millionair Club Inc. had a mortgage in the original principal amount of \$1,750.00

**B. Priority Claims under Section 507(a)(8) of the Code**

- 1. The City of Bridgeport may have claims for real estate taxes on (i) 512 North Avenue and (ii) 1794-1796 Barnum Avenue not yet liened.
- 2. The Town of Stratford may have claims for real estate taxes on the 10 Fifth Avenue parcel and the 795 James Farm Road property not yet liened.
- 3. The Town of Milford may have claims for real estate taxes on 314 Bridgeport Avenue not yet liened.
- 4. The State of Connecticut may have a priority claim for corporate taxes in the amount of approximately \$862.50 as evidenced by its proof of claim dated July 31, 2014, Claim No. 3 and an alleged lien recorded on the Debtor's property located at 1794-1798 Barnum Avenue, Bridgeport, Connecticut.

5. The Internal Revenue Service may have a priority claim for income tax in the amount of \$5,134.23 as evidenced by its proof of claim dated July 16, 2015, Claim No. 2.

**C. Unsecured Debt**

There are approximately 20 creditors with claims in the aggregate approximate amount of \$9.7 million.

**D. Equity Security Holders**

Joseph Regensburger is the sole owner of the equity of the estate.

**IV.  
THE PLAN OF REORGANIZATION**

**A. Definitions**

1. **Code:** Code shall mean the Bankruptcy Reform Act of 1978 which has been codified as Title 11 of the United States Code.

2. **Confirmation:** Confirmation shall mean the date on which the Plan is confirmed by Order of the Court.

3. **Court:** Court shall mean the United States Bankruptcy Court for the District of Connecticut including the United States Bankruptcy Judge presiding therein.

4. **Effective Date of the Plan:** Effective Date of the Plan shall mean the first business day which is thirty (30) days following the last day on which an appeal from an Order of the Court confirming this Plan may be taken under applicable law and no such appeal has been taken or, if such an appeal has been taken, the first business day which is thirty (30) days following the date upon which such appeal has been exhausted and the Plan may proceed.

5. **Date of Confirmation of the Plan:** Date of Confirmation of the Plan shall mean that date upon which the Court approves the Company's Plan.

6. **Net Proceeds:** Net Proceeds from the sale of real estate shall be defined as the balance left over after payment in full of any encumbrances on said realty, a reasonable attorney's fee for the closing, closing costs and adjustments standard to the practice of the town where the property is located, payment of any capital gains taxes due on the sale and payment for any allowed administration expenses in this case.

7. **Voting, Cram Down and Confirmation**

a. **Voting**

In order to obtain confirmation of the Plan by the Court, the Plan must be accepted by the Creditors of Classes 6, 10-16, assuming that their claims are allowed. Of those creditors in Classes 6, 10-16 who have allowed claims and actually vote on the Plan, creditors holding at least two-thirds in dollar amount of the allowed claims and who constitute more than one-half in number of such voting creditors must vote for the Plan in order for the Plan to be confirmed.

Administrative claims are to be paid in full upon confirmation of the Plan; they are not impaired under the Plan and are deemed to have accepted the Plan. Creditors within a class vote as part of a class.

b. **Cram Down**

If any class should fail to accept the Plan by the required majority, the Court may, under Section 1129(b) of the Code, nonetheless confirm the Plan if at least one impaired class has accepted the Plan and the Court finds that the Plan does not discriminate unfairly and is fair and equitable with respect to any impaired class which has not accepted the Plan. A plan is "fair and equitable" within the meaning of this section if it provides as to a dissenting class of secured creditors, retention of the lien securing the claim in the allowed

amount of the claim, and payment of deferred cash payments totaling the allowed amount of such claim and having a value, as of the effective date of the Plan, of its collateral. As to a dissenting class of unsecured creditors, a Plan is “fair and equitable” if it receives property of a value, as of the effective date of the Plan, equal to the allowed amount of its claims, or the holders of claims in junior classes will receive or retain nothing under the plan. The rule that junior classes receive or retain no property is sometimes called the “absolute priority rule.” However, an exception to this rule exists where either the plan provides for a liquidation or a junior class makes a “substantial” contribution of new money or property into the debtor as part of a plan of reorganization, and this exception may provide an opportunity to existing shareholders of the debtor who wish to retain an equity interest in the Company. The Company intends to invoke these “cram down” provisions against any class, secured or unsecured, that fails to accept the Plan.

8. To the extent that the word “impaired” is used, impaired is defined in 11 U.S.C. § 1124 as follows except as to unfavorable treatment agreed upon by any class or claimant:

“A class of claims or interests is impaired under a plan unless, with respect to each claim or interest of such class, the plan

1. leaves unaltered, the legal, equitable and contractual rights to which such claim or interest entitles the holder of such claim or interest;  
or

2. notwithstanding any contractual provision or applicable law that entitles the holder of such claim or interest to demand or receive accelerated payment of such claim or interest after the occurrence of a default –

a. cures any such default that occurred before or after the commencement of the case under this title (11 U.S.C. § 101 *et. seq.*) other than a default of a kind specified in § 365 (b) (2) of this title 11 U.S.C. § 365 (b)(2) or of a kind that § 365 (b)(2) expressly does not require to be cured;

b. reinstates the maturity of such claim or interest as such maturity existed before such default;

c. compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law;

d. if such claim or such interest arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a nonresidential real property lease subject to § 365 (b)(1)(A), compensates the holder of such claim or such interest (other than the Debtor or an insider) for any actual pecuniary loss incurred by such holder as a result of such failure; and

e. does not otherwise alter the legal, equitable or contractual rights to which such claim or interest entitles the holder of such claim or interest.”

**B. The major objectives of the Company’s Plan of Reorganization are:**

1. Payment to and protection of the interests of the secured creditors;
2. Payment of all obligations to the taxing authorities;
3. Payment of all priority and administrative claims;
4. Payment of an amount to unsecured creditors that is not less than such creditors

would receive in the event that the Company was liquidated on the effective date of the Plan. The following is a brief summary of the Plan and should not be relied upon for voting purposes. Creditors are urged to read the Plan in full. Creditors are further urged to consult with counsel or with each other in order to fully understand and evaluate the Plan.

All creditors who are listed in the Company's schedules filed with the Bankruptcy Court may vote on the Plan whether or not they have filed Proofs of Claim, except in those instances where the schedules reflect that that claim is disputed, unliquidated, contingent or where objections to claims have been filed. Further, all creditors who are listed in the schedules will receive payment pursuant to the Plan whether or not a Proof of Claim was filed, except in those instances where the schedules reflect that the Creditor's claim is disputed, contingent, or unliquidated. In the case where objections to claims have been made by the Company, payments will be made in accordance with the Plan upon a final decision by the Court as the allowed amount. Where a Proof of Claim is filed in an amount which is different from that set forth in the Company's schedules, or is filed as a claim which its schedules are disputed, contingent or unliquidated, the same may be subject to objection, and after a hearing thereon, may be either allowed, reduced or disallowed by the Court and the amount determined in that instance will establish the amount to be paid to the Creditors pursuant to the Plan.

**C. Claims and Interests Under the Plan**

**1. Administrative Claims**

Administrative expenses as defined in Section 503(b) of the Code include the claims of the Company's bankruptcy counsel, Neubert, Pepe & Monteith, P.C., which total is estimated to be \$100,000. The allowance of all of the above claims is required to be approved by the Court. These claims will be paid in full on the later of their allowance or confirmation of the

Plan. Any entity herein may elect to receive a payment over a period of time or a difference treatment.

2. **Secured Claims**

a. **Class 1**

Class 1 consists of the Bridgeport WPCA for sewer use liens on 1794-1796 Barnum Avenue, Bridgeport, Connecticut.

b. **Class 2**

Class 2 consists of the City of Bridgeport for real estate tax liens on 512 North Avenue and 1794-1796 Barnum Avenue, Bridgeport, Connecticut.

c. **Class 3**

Class 3 consists of MTAG Services, LLC, as custodian for MTAG CAZ Creek CT, LLC for the tax liens assigned from the City of Bridgeport on 512 North Avenue, Bridgeport, Connecticut.

d. **Class 4**

Class 4 consists of Tower Lien LLC for the tax lien assigned from the City of Bridgeport on 1794-1798 Barnum Avenue, Bridgeport, Connecticut.

e. **Class 5**

Class 5 consists of City of Milford for real estate tax liens on 314 Bridgeport Avenue, Milford, Connecticut.

f. **Class 6**

Class 6 consists of the Town of Stratford for real estate tax liens on (i) Peters Lane, Lot 19 (ii) 795 James Farm Road and (iii) 10 Fifth Avenue, Stratford, Connecticut.

g. **Class 7**

Class 7 consists of the State Tax Collection Agency LLC for real estate tax liens assigned to it on 10 Fifth Avenue, Stratford, Connecticut.

h. **Class 8**

Class 8 consists of the MTAG Services, LLC and MTAG CAZ Creek CT, LLC for real estate tax liens and sewer use liens assigned to it on 314 Bridgeport Avenue, Milford, Connecticut.

i. **Class 9**

Class 9 consists of Moutinho, Trustee for a mortgage on 314 Bridgeport Avenue, Milford, Connecticut.

j. **Class 10**

Class 10 consists of Moutinho, Trustee for a first mortgage on 512 North Avenue, Bridgeport, Connecticut.

k. **Class 11**

Class 11 consists of Dekalb-Central Corporation for a second mortgage on 512 North Avenue, Bridgeport, Connecticut.

l. **Class 12**

Class 12 consists of Moutinho, Trustee for a first mortgage on 1794-1796 Barnum Avenue, Bridgeport, Connecticut.

m. **Class 13**

Class 13 consists of Moutinho Trustee for a second mortgage on 1794-1796 Barnum Avenue, Bridgeport, Connecticut.

n. **Class 14**

Class 14 consists of Moutinho, Trustee for a mortgage on 10 Fifth Avenue, Stratford, Connecticut.

o. **Class 15**

Class 15 consists of Edward P. Colacurcio and Roger K. Colacurcio for a mortgage on 795 James Farm Road and Peters Lane, Lot 19, Stratford, Connecticut.

3. **Priority Claims under Section 507(a)(8) of the Code**

These are the claims for unliened real estate taxes claimed by the City of Bridgeport, sewer use charges claimed by the Bridgeport Water Pollution Control Authority (“Bridgeport WPCA”) and sewer use charges and real estate taxes claimed by the Town of Stratford and sewer use charges and real estate taxes claimed by the Town of Milford as well as taxes due the State of Connecticut and the Internal Revenue Service.

4. **Unsecured Claims Class 16**

These are the claims of the present unsecured creditors and those creditors that become unsecured as the result of (i) the application of Section 506(a) of the Code and (ii) the abandonment by the estate of the real property known as 28 York Street and 2060 East Main Street, Bridgeport, Connecticut.

5. **Claims of Equity Security Holder Class 17**

Joseph Regensburger is the owner of the equity.

D. **Treatment of Claims and Interests Under the Plan**

1. **Administrative Claims**

These claims will be paid in full on the later of their allowance or Effective Date of the Plan. Any holder of an allowed administrative claim may elect to receive payment over a

period of time or a different treatment.

2. **Priority Claims**

Priority claims will be paid in full with interest at the relevant statutory rate in effect on the Effective Date of the Plan.

3. **Secured Claims**

a. **Class 1 Not Impaired**

The Bridgeport WPCA's claim shall be paid in full upon the Effective Date of the Plan. Until paid, it shall retain its lien.

b. **Class 2 Not Impaired**

The City of Bridgeport's allowed claims shall be paid in full upon the Effective Date of the Plan. Until paid, it shall retain its liens.

c. **Class 3 Not Impaired**

The allowed claims of MTAG Services, LLC, as custodian for MTAG CAZ Creek CT, LLC, shall be paid in full upon the Effective Date of the Plan. Until paid, it shall retain its lien.

d. **Class 4 Not Impaired**

The allowed claims of Tower Lien, LLC shall be paid in full upon the Effective Date of the Plan. Until paid, it shall retain its liens.

e. **Class 5 Not Impaired**

The Debtor shall abandon its interest in the property located at 314 Bridgeport Avenue, Milford, Connecticut and consent to relief from the automatic stay to allow the City of Milford to recover its allowed claims from a sale of the property at 314 Bridgeport Avenue, Milford, Connecticut. Until paid, it shall retain its lien.

f. **Class 6 Impaired**

The allowed claims of the Town of Stratford for real estate tax liens on (i) Peters Lane, Lot 19 and (ii) 795 James Farm Road in Stratford, Connecticut shall be paid in full in monthly payments over the term of five (5) years from the Petition Date with statutory interest. Until paid, it will retain its lien.

The allowed claims of the Town of Stratford for real estate tax liens on 10 Fifth Avenue, Stratford, Connecticut shall be paid in full upon the Effective Date of the Plan. Until paid, it will retain its lien.

g. **Class 7 Not Impaired**

The allowed claims of State Tax Collection Agency LLC shall be paid in full upon the Effective Date of the Plan. Until paid, it will retain its lien.

h. **Class 8 Not Impaired**

The Debtor shall abandon its interest in the property located at 314 Bridgeport Avenue, Milford, Connecticut and consent to relief from the automatic stay to allow MTAG Services, LLC and MTAG CAZ Creek, LLC to pursue its state law remedies and recover its allowed claims from a sale of the property located at 314 Bridgeport Avenue, Milford, Connecticut. Until paid, it shall retain its lien.

i. **Class 9 Not Impaired**

The Debtor shall abandon its interest in the property located at 314 Bridgeport Avenue, Milford, Connecticut and consent to relief from the automatic stay to allow Moutinho, Trustee to pursue his state law remedies to recover his allowed secured claim from the property located at 314 Bridgeport Avenue, Milford, Connecticut. Until paid, Moutinho, Trustee shall retain his lien.

j. **Class 10 Impaired**

By notice dated April 30, 2015, Moutinho, Trustee has elected to have his secured claim treated pursuant to Section 1111(b) of the Code. As a result of this election the Trustee shall not have an unsecured claim against the Debtor. The Trustee's allowed secured claim will be paid in full as follows: (i) the application of all adequate protection payments made by the Debtor to Moutinho, Trustee regarding this allowed secured claim prior to the Effective Date and (ii) Moutinho, Trustee shall be paid \$3,500 per month for 72 months. To the extent that the allowed claim is not paid in full after 72 months, the Debtor shall make a final payment for the balance due Moutinho, Trustee 72 months after the Effective Date of the Plan. Until paid, Moutinho, Trustee shall retain his lien.

k. **Class 11 Impaired**

By notice dated April 30, 2015, DeKalb Central Corporation ("DeKalb") has elected to have its secured claim treated pursuant to Section 1111(b) of the Code. The Debtor has sought a determination from the Court regarding the extent of DeKalb's secured claim. If the Court determines that DeKalb has a secured claim, DeKalb will retain its lien until paid and its allowed secured claim will be paid in full as follows: (i) the application of all adequate protection payments made by the Debtor to DeKalb regarding this allowed secured claim prior to the Effective Date and (ii) in monthly payments of \$1,000 for 72 months after the Effective Date. To the extent that the allowed claim is not paid in full after 72 months, the Debtor shall make a final payment for the balance due DeKalb 72 months after the Effective Date of the Plan.

If the Court determines that DeKalb holds only a general unsecured claim, its claim shall be treated as a Class 16 claimant.

l. **Class 12 Impaired**

By notice dated April 30, 2015, Moutinho, Trustee has elected to have his secured claim treated pursuant to Section 1111(b) of the Code. As a result of this election the Trustee shall not have an unsecured claim against the Debtor. The Trustee's allowed secured claim will be paid in full as follows: (i) the application of all adequate protection payments made by the Debtor to Moutinho, Trustee regarding this allowed secured claim prior to the Effective Date and (ii) Moutinho, Trustee shall be paid \$1,000 per month for 60 months. To the extent that the allowed claim is not paid in full after 60 months, the Debtor shall make a final payment for the balance due Moutinho, Trustee 60 months after the Effective Date of the Plan. Until paid, Moutinho, Trustee will retain his lien.

m. **Class 13 Impaired**

By notice dated April 30, 2015, Moutinho, Trustee has elected to have his secured claim treated pursuant to Section 1111(b) of the Code. Moutinho, Trustee's allowed secured claim will be paid as follows: (i) the application of all adequate protection payments made by the Debtor to Moutinho, Trustee regarding this allowed secured claim prior to the Effective Date and (ii) Moutinho, Trustee shall be paid \$1,000 per month for 60 months. To the extent that the allowed claim is not paid in full after 60 months, the Debtor shall make a final payment for the balance due Moutinho, Trustee 60 months after the Effective Date of the Plan. Until paid, Moutinho, Trustee will retain his lien.

n. **Class 14 Impaired**

By notice dated April 30, 2015, Moutinho, Trustee has elected to have his secured claim treated pursuant to Section 1111(b) of the Code. As a result of this election the Trustee shall not have an unsecured claim against the Debtor. The Trustee's allowed secured

claim will be paid as follows: (i) the application of all adequate protection payments made by the Debtor to Moutinho, Trustee regarding this allowed secured claim prior to the Effective Date and (ii) Moutinho, Trustee shall be paid \$1,000 per month for 36 months. To the extent that the allowed claim is not paid in full after 36 months, the Debtor shall make a final payment for the balance due Moutinho, Trustee 36 months after the Effective Date of the Plan. Until paid, Moutinho, Trustee will retain his lien.

**o. Class 15 Impaired**

The Estate of Edward P. Colacurcio and Roger K. Colacurcio (the “Colacurcios”) shall be allowed a secured claim in the amount of \$286,000 secured by their mortgage on Peters Lane, Lot 19 and 795 James Farm Road, Stratford, Connecticut (the “James Farm Road Property”). The Colacurcios shall not have an unsecured claim against the Debtor or the Debtor’s estate. The Colacurcios’ allowed secured claim shall be paid in full by the Debtor making payments to the Estate of Edward P. Colacurcio and Roger K. Colacurcio in the following amounts: (i) \$36,000 upon the Effective Date of the Plan; (ii) \$2,500 per month to commence the first month after the Effective Date of the Plan and to continue for up to thirty six (36) months thereafter; and (iii) the balance of the allowed secured claim to be paid upon the third anniversary of the Effective Date of the Plan or a sale of the James Farm Property, whichever shall be the first to occur.

The Debtor shall continue to maintain property insurance and general liability insurance on the Property in an amount not less than \$829,331.64 and the Colacurcios shall be listed as the Mortgagee on any such insurance coverage provided by the Debtor. This insurance shall be maintained by the Debtor continuously until the allowed secured claim is paid in full.

Each payment made on the allowed claim shall be divided equally with one-half the amount made payable to Mamie M Colacurcio, on behalf of Estate of Edward P. Colacurcio and one-half the amount made payable to Roger K. Colacurcio.

Notwithstanding the provisions of this Plan: (i) the Debtor acknowledges that the amount due the Colacurcios under their promissory note is \$829,331.64 as of the Petition Date and, in the event the Debtor fails to make any payment required by this paragraph, the Colacurcios shall be entitled to enforce all of the terms of their mortgage against the Debtor and the James Farm Road Property, including but not limited to the payment of the full amount of the promissory note (rather than the amount of their allowed secured claim) and all interest, costs, expenses, and attorneys fees as provided for in the promissory note from the date of the Mortgage through the date of enforcement (after crediting any payments made by the Debtor) and enforcement of the Mortgage through foreclosure.

p. **Class 16 Impaired**

The unsecured creditors shall receive a *pro rata* distribution of seven hundred thousand Dollars (\$700,000) over the period of 120 months from the Effective Date. The distribution will be made as follows: (i) semi-annual installments of twenty-five thousand Dollars (twice per year) commencing upon the Effective Date of the Plan for a period of 72 months and (ii) commencing 72 months after the Effective Date of the Plan, in semi-annual installments of fifty thousand Dollars.

q. **Class 17 Impaired**

Joseph Regensburger will invest \$35,000.00 into the Debtor upon the Effective Date of the Plan and will retain his interest in the Debtor.

**V.**  
**FINANCIAL INFORMATION**

There have been no transfers of the Debtor's assets, other than in the ordinary course of business, therefore the Debtor does not believe it has any claims to pursue fraudulent transfers or conveyances.

**A. Executory Contracts**

All executory contracts not specifically assumed in the Plan or objected to prior to Confirmation shall be rejected by the confirmation of the Plan.

**B. Liquidation Value**

The face sheets of the appraisals of all of the Company's real estate are annexed hereto as Exhibit A. (Full copies of the appraisals are available on request from the Company's counsel.) Also annexed hereto as Exhibit B is a spreadsheet showing the summary of the alleged tax liens on the Company's properties. The Company contends that as a result of the extent of the liens on its properties and collection costs associated with its receivables, creditors shall not receive a greater recovery in a chapter 7 liquidation proceeding than they will under the Plan.

**C. Means of Effectuation of the Plan**

1. The Company sought a determination from the Court as to the secured status of the liens on its real estate. As a result of the entry of Court orders determining the status of liens on its properties the Company's payments to secured creditors have been reduced and many of the junior lien holders will be treated as general unsecured claimants, thereby reducing the Company's monthly operating expenses. The Debtor has received rental income since the commencement of this case from its property located at 1794-1796 Barnum Avenue in Bridgeport from written leases with tenants at this property. The Debtor intends to assume the leases under its Plan. The Debtor has also received income from its 512 North Avenue,

Bridgeport property and its 314 Bridgeport Avenue, Milford property from month to month contracts with food vendors.

2. Plan Funding. The Debtor has obtained commitments from its equity holder, Joseph Regensburger, and account debtors Red Rose, Inc. and Gus Curcio, Sr. to fund payments totaling three hundred seventy-five thousand Dollars (\$375,000) to the Debtor by the Effective Date of the Plan. The Debtor intends to use these funds on the Effective Date to satisfy (i) all outstanding real property tax obligations on the properties located at (a) 500 North Avenue, Bridgeport, Connecticut, (b) 10 Fifth Avenue, Stratford, Connecticut, and (c) 1794 Barnum Avenue, Bridgeport, Connecticut; (ii) the initial \$36,000 distribution to the Colacurcios; (iii) all priority claims; and (iv) the initial \$25,000 distribution to unsecured creditors. In addition to the \$375,000 Plan funding commitment described above, the Debtor intends to fund its Plan payments through the leasing and development of its properties and the collection of other receivables. A description of its leasing, development, and collection activities is set forth below.

3. 512 North Avenue, Bridgeport, Connecticut ("512 North Avenue Property"). Pursuant to the terms of a consent order with the City of Bridgeport dated February 5, 2013 and zoning authority obtained from the City of Bridgeport, the Debtor plans to develop and lease its 512 North Avenue Property as an adult entertainment facility. The Debtor has received an offer to lease the 512 North Avenue Property upon confirmation of its Plan at \$7,500 per month from Keeper's, Inc. Keeper's, Inc. ("Keeper's") is a Connecticut corporation formed in 1999 and has operated a bar and adult entertainment facility in Milford, Connecticut for more than ten years. The Equity Holder had been an owner of Keeper's. Since April 2015 Keeper's has been owned by Julia Kish. Mrs. Kish is married to Gus Curcio, Sr., the Debtor's manager. Keeper's has

provided the Debtor with financial information which reflects that it generated revenues of \$1,068,670.30 in 2016 and \$1,181,733.04 in 2015. Moreover, Keeper's has disclosed assets valued at \$776,656.00 and current liabilities of \$184,014.00 as of December 31, 2015. Pursuant to the proposed lease, Keeper's has committed to funding the costs of construction associated with completing the proposed adult entertainment facility at the 512 North Avenue Property. The Debtor estimates the costs of construction will be in the range of \$500,000 to \$600,000 (exclusive of the tenant's costs associated with furniture, fixtures, and equipment). Keeper's has advised the Debtor that it anticipates construction to be complete within twelve months of when it takes occupancy of the premises and that it will fund the cost of construction from its existing assets and proceeds from its ongoing business operations. Prior to the confirmation of the Plan, the Debtor received periodic \$10,000 option payments from Keeper's, Inc. to keep this lease proposal in place pending confirmation of the Plan. Keeper's, Inc. has agreed not to seek any recovery from the Debtor's estate for the option payments it has made to the Debtor's estate (see letter attached hereto as part of Exhibit C). Keeper's Inc., has retained counsel to represent its interest in the pending lease negotiations with the Debtor and the parties expect to reach agreement on a lease.

4. 10 Fifth Avenue, Stratford, Connecticut ("10 Fifth Avenue Property"). The Debtor has received an offer to lease the 10 Fifth Avenue Property to Now Entity, Inc. ("Now Entity") for \$1,500 per month. Pursuant to the terms of the proposed lease, Now Entity shall have an option to purchase the Property. Prior to the confirmation of the Plan, Now Entity has made periodic option payments to the Debtor since 2015 in connection with its proposed option to purchase the 10 Fifth Avenue Property. Now Entity has agreed not to seek any recovery from the Debtor for any of the option payments it has made to the Debtor (see letter attached hereto as

part of Exhibit C.) Now Entity is a real estate management and development business owned by Gus Curcio Sr., the Debtor's manager. Now Entity is a Connecticut corporation incorporated in 2014. Now Entity has provided the Debtor with financial information which reflects that it generated rental income of \$36,117.58 in 2016 and \$20,800.00 in 2015. Moreover, Now Entity has disclosed assets, including real estate, cash, and accounts receivable valued at \$1,053,358 and outstanding mortgage liabilities of \$347,926.51 as of December 31, 2015. Now Entity has retained counsel to represent its interest in the pending lease negotiations with the Debtor and the parties expect to reach agreement on a lease.

5. 1794 Barnum Avenue, Bridgeport, Connecticut ("1794 Barnum Avenue Property"). Prior to the confirmation of the Plan, Red Rose, Inc. and Keeper's have made \$5,000 periodic payments to the Debtor in connection with a proposed option to purchase the property. Red Rose Inc. is an entity owned and operated by Richard Urban, a friend of the Equity Holder. Red Rose, Inc. and Keeper's have agreed not to seek any recovery from the Debtor's estate for the option payments it has made to the Debtor's estate (see letters attached hereto as part of Exhibit C). The Debtor will seek Court approval of an option agreement that will provide Keeper's with an option to purchase the 1794 Barnum Avenue Property after confirmation of the Plan. The 1794 Barnum Avenue Property is currently leased to commercial and residential tenants generating approximately \$11,800 per month in rental income. The Debtor plans to use the rental income to fund the Plan payments to its secured creditor on the 1794 Barnum Avenue Property and all ongoing operating expenses regarding the property.

6. As noted in paragraphs 3 and 4 above, Keeper's and Now Entity have provided the Debtor with financial information in connection with the proposed leases *for the 500 North Avenue Property and 10 Fifth Avenue Property*. The table below summarizes the backgrounds

of these entities and the proposed lease terms:

<b>Tenant</b>	<b>Tenant's Business</b>	<b>Lease Terms</b>	<b>Additional Lease Conditions</b>
Keeper's, Inc.	bar and adult entertainment	<ul style="list-style-type: none"> <li>• 20 years</li> <li>• \$7,500 per month</li> <li>• tenant responsible for utilities, sewer and taxes (personal property and real estate)</li> </ul>	<ul style="list-style-type: none"> <li>• tenant responsible for tenant improvements and fit up expenses</li> <li>• tenant has option to renew or to purchase</li> </ul>
Now Entity, Inc.	real estate management and development	<ul style="list-style-type: none"> <li>• 10 years</li> <li>• \$1,500 per month</li> <li>• tenant responsible for utilities, sewer and taxes (personal property and real estate)</li> </ul>	<ul style="list-style-type: none"> <li>• tenant has option to renew or to purchase</li> <li>• lease can be terminated upon a sale of the property</li> </ul>

The Debtor has attached copies of its proposed leases with Keeper's and Now Entity as Exhibit D. The Debtor has also prepared a forecast of its revenues and expenses under the Plan which has been attached hereto as Exhibit E. The Debtor anticipates that its rental income from its lease payments, collections on its accounts receivable and its \$375,000 Plan funding commitment will be sufficient to make the payments required under its Plan.

7. For the James Farm Road Property, the Debtor has been seeking zoning approvals from the Town of Stratford to develop the property as multi-unit residential housing. As of the date of this Disclosure Statement, the Debtor has not obtained any such zoning approvals but anticipates that approvals can be obtained in the near future. The Debtor believes that with zoning approval for multiunit residential housing it will be able to develop and market the James Farm Road Property and satisfy its obligations to the lien holders on the property.

8. 314 Bridgeport Avenue, Milford, Connecticut ("314 Bridgeport Avenue Property"). Prior to the confirmation of the Plan, Millennium Group Management, LLC ("Millennium") made periodic option payments in connection with an option to purchase the 314

Bridgeport Avenue Property. Millennium is an ATM management business formed in 2002 and owned by Shawn Moffett, a friend of the Equity Holder. Millennium has agreed not to seek any recovery from the Debtor for any of the option payments it has made to the Debtor (see letter attached hereto as part of Exhibit C). In late 2016, Millennium and the Debtor had reached agreement on lease terms for the 314 Bridgeport Avenue Property. Recently, however, Millennium advised the Debtor that it had withdrawn any offers to lease or purchase the 314 Bridgeport Avenue Property. As a result, the Debtor shall abandon its interest in the 314 Bridgeport Avenue Property and consent to relief from the automatic stay to permit its secured creditors to pursue their state law remedies with regard to this property.

9. The Debtor shall seek to sell the rear lot located at 3060 Main Street, Stratford, Connecticut and use any sale proceeds to fund its Plan payments. The Debtor shall seek to retain a licensed real estate broker prior to the Effective Date of the Plan to sell this property and maximize its value for the estate.

10. Allowed secured tax claims as determined by the Court shall receive payments as set forth in Exhibit B annexed to the final approved Disclosure Statement and Plan and the terms of payment shall be binding on the allowed secured tax claimants. After Confirmation of the Plan, the Company's Equity Holder shall continue to serve as the Company's President and managing member and Gus Curcio, Sr. will continue to serve the Company as its manager. Neither the Equity Holder nor Gus Curcio, Sr. shall receive any compensation for their services until all distributions to Class 16 holders are made.

11. Monitor and Plan Administrator. (a) The Monitor shall be appointed as of the Effective Date of the Plan. The Monitor's sole duty and responsibility shall be to review each Revenue Report and determine whether a Triggering Event has occurred. The Monitor shall be

compensated in the amount of \$250.00 per quarter, with payment to be made on the same date as the Revenue Report is due. In the event a Triggering Event occurs, the Monitor shall immediately be appointed the Plan Administrator with respect to the Default Account Debtor, as defined in the Plan, without necessity of further order of the Court.

(b) Authority. The Plan Administrator shall have the authority and right on behalf of the Debtor, without the need for Court approval (unless otherwise indicated), (a) to take any and all steps reasonably necessary to the Plan Administrator to collect the indebtedness owed to the Debtor's estate by the Default Account Debtor, including, without limitation, commencing and prosecuting legal action whether in collection or summary proceedings to evict, and to decide whether and when to compromise, settle, abandon, dismiss, or otherwise dispose of any such claims, as the Plan Administrator may determine is in the best interests of the Debtor; (b) retain professionals to assist in performing her duties under the Plan; (c) incur and pay reasonable and necessary expenses in connection with the performance of duties as Plan Administrator, including the reasonable fees and expenses of professionals retained by the Plan Administrator, provided, however, that payment of such expenses shall be from assets recovered by the Plan Administrator in her capacity as Plan Administrator.

(c) No Liability of Plan Administrator. The Plan Administrator shall have no liability for any acts or omissions in her capacity as Plan Administrator to the Debtor or holders of Claims against or Equity Interests in the Debtor other than for gross negligence or willful misconduct of the Plan Administrator.

(d) Substitute Plan Administrator. In the event the Monitor is unwilling or unable to continue to serve as Plan Administrator, the Debtor shall, in consultation with the Office of the United States Trustee, appoint a substitute administrator.

**D. Profit History and Projection**

The Company plans to make payments to creditors from its account receivables, the \$375,000 Plan funding commitment discussed in Section V. C. 2 above, and from its rental income. The reader is cautioned that revenues are, of course, dependent on a variety of factors, not all of which are under the Company's control, including, but not limited to, the state of the economy. The Company reasonably expects that sufficient revenue will be generated in order for the Company to make the required payment under the Plan and that the Plan as proposed is in the best interests of its creditors. The attainment of the objective of providing unsecured creditors with value that is not less than what would be received in a liquidation is therefore dependent on the Company's future profitability.

The Company has twenty-four (24) account receivables (listed on Schedule B of its bankruptcy schedules). The Company has analyzed the obligations and the financial capability of the account debtors. Six of the account debtors (Greenwood Estates, Sunrise Athletic Club, Robin Cummings, Double JR, Inc., Coastal Sanitation, Inc, and Coastal Recycling, Inc.) are individuals with limited income and assets or businesses that are no longer operating and have no available assets to satisfy the Company's claims. The Company has determined that pursuit of these account debtors would be futile and not an effective use of estate resources. Three of the account debtors, Recycling, Inc., GAMK and Jack Dempsey's, Inc. are debtors in pending Chapter 11 cases. The Company does not expect to receive any meaningful return from those estates.

The Company believes it has reached agreements with ComLink, Inc., Red Rose, Inc. and Gus Curcio, Sr. regarding claims owed by these account debtors. The Company anticipates filing a motion to approve compromise of claims with some or all of these account debtors. Upon approval of the compromise and confirmation of the Plan, each of these three account debtors would pay obligations owed to the Debtor as of the Petition Date in full upon the terms and conditions set forth in the motion to approve compromise.

The Company intends to file motions to compromise pursuant to Section 9019 of the Bankruptcy Code, seeking approval of compromises and agreements reached with the remaining twelve account debtors. Each of these claimants will, pursuant to the compromise, pay the amount owed to the Debtor's estate through monthly payments continuing until the debt is paid in full. These monthly payments will total, in the aggregate, \$7,200.00, which receivables will be utilized to fund Plan payments. The Company shall utilize the proceeds of these receivable collections as well as its rental and option income to fund Plan payments.

**E. Fees**

In accordance with Section 1129(a)(12) of the Code and 28 U.S.C. § 1930, all quarterly fees payable to the United States Trustee shall be paid by the Debtor in full on or before their respective due dates and shall continue to be assessed and paid until such time as a final decree is entered by the Court or the Court enters an order converting or dismissing this case. The Debtor shall also timely file monthly operating reports every month until such time as a final decree is entered by the Court or the Court enters an order converting or dismissing this case.

**F. Proposed Sale Pursuant to Section 1146 of the Bankruptcy Code**

The sale of real estate proposed in the Plan shall be made pursuant to Section 1146 of the Bankruptcy Code, which provides that property transferred under a confirmed plan shall not be

taxed under any law imposing a stamp tax or similar tax. The Debtor shall, therefore, seek an exemption from the imposition of state and local conveyance taxes upon the sale of real property and will request a finding in the Order confirming the Plan that no tax is due on the conveyance of real property pursuant to the Plan.

**G. Certain Federal Income Tax Consequences of the Plan**

**1. Federal Income Tax Consequences to the Debtor**

The tax consequences of the Plan on the Company are uncertain because the range of values that may be realized on the sale of the properties is unknown. In addition, there is uncertainty as to the amount of rental income that will be received. However, the Company will likely be subject to Federal income taxes, capital gains taxes and may be subject to alternative minimum taxes. The Plan provides for the payment of capital gains taxes prior to the distribution of the net proceeds from the sale of real estate.

Under the Plan, some creditors may not have their claims paid in full resulting in a discharge of indebtedness of the debtor. Under the Internal Revenue Code of 1986 (the “Tax Code”), a taxpayer generally must include in gross income the amount of indebtedness discharged during the taxable year. However, under Section 108 of the Tax Code, when the discharge of indebtedness is pursuant to a plan approved by the court in a case under Chapter 11 of the Bankruptcy Code, the amount of indebtedness is excluded from gross income. Instead, certain tax attributes of the debtor are reduced by the amount of indebtedness discharged and excluded from income. The tax attributes to be reduced are: net operating losses, certain credit carryovers, capital loss carryovers, the basis of the taxpayer’s property, and foreign tax credits.

## **2. Federal Income Tax Consequences to the Creditors**

In general, a creditor may realize and recognize gain or loss on the exchange of a claim in an amount equal to the difference between the holder's basis in the claim and the amount realized. Each creditor may recognize ordinary income to the extent it receives cash allocable to accrued interest income not previously included in their federal taxable income. Conversely, each creditor that had previously included accrued yet unpaid interest in their federal taxable income may recognize a loss to the extent such accrued unpaid interest is not paid in full. The proper allocation between principal and interest of amounts received for a claim not paid in full is unclear. Because the tax consequences of the Plan may vary based on individual circumstances, each holder of a claim is urged to consult with its own tax advisor as to the consequences of the Plan to it under federal and applicable state and local tax laws. The following discussion summarizes certain U.S. federal income tax consequences of the implementation of the Plan to the Debtors and to the holders of Unsecured Claims. The following summary does not address the U.S. federal income tax consequences to holders whose Claims are unimpaired or otherwise entitled to payment in full in Cash under the Plan (e.g., Administrative Expense Claims, Priority Non-Tax Claims, and Other Secured Claims), or holders of Old Equity Interests that are extinguished without a distribution in exchange therefore.

The following summary is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), Treasury Regulations promulgated thereunder, judicial decisions, and published administrative rules and pronouncements of the Internal Revenue Service (the "IRS"), all as in effect on the date hereof. Changes in such rules or new interpretations thereof may have retroactive effect and could significantly affect the U.S. federal income tax consequences described below.

The U.S. federal income tax consequences of the Plan are complex and are subject to significant uncertainties. The Debtor has not requested a ruling from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. Thus, no assurance can be given as to the interpretation that the IRS will adopt. In addition, this summary generally does not address foreign, state or local tax consequences of the Plan, nor does it address the U.S. federal income tax consequences of the Plan to special classes of taxpayers (such as foreign taxpayers, broker-dealers, persons not holding their Claims, persons holding unsecured claims who are not the original holders of those Claims or who acquired such Claims at an acquisition premium, and persons who have claimed a bad debt deduction in respect of any Unsecured Claims).

**Accordingly, the following summary of certain U.S. federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon the individual circumstances pertaining to a holder of a Claim.**

**IRS Circular 230 Notice: To ensure compliance with IRS Circular 230, holders of Claims and Equity Interests are hereby notified that: (A) any discussion of federal tax issues contained or referred to in this Disclosure Statement is not intended or written to be used, and cannot be used, by holders of Claims or Equity Interests for the purpose of avoiding penalties that may be imposed on them under the Tax Code; (b) such discussion is written in connection with the promotion or marketing by the Debtor of the transactions or matters addressed herein; and (c) holders of Claims and Equity Interests should seek advice based on their particular circumstances from an independent tax advisor.**

**3. Consequences to Holders of Allowed General Unsecured Claims Class 16**

In general, each holder of an Allowed General Unsecured Claim should recognize gain or loss in an amount equal to the difference between (x) the amount of Cash received by the holder in satisfaction of its Claim (other than any Claim for accrued but unpaid interest) and (y) the holder's adjusted tax basis in its Claim (other than any basis attributable to accrued but unpaid interest). Pursuant to the Plan, distributions to any holder of an Allowed General Unsecured Claim will be allocated first to the original principal amount of such Claim as determined for federal income tax purposes and then, to the extent the consideration exceeds such amount, to any portion of such Claim representing accrued original issue discount ("OID") or accrued but unpaid interest. However, there is no assurance that the IRS would respect such allocation for federal income tax purposes. In general, to the extent that an amount received by a holder of debt is received in satisfaction of accrued interest or OID during its holding period, such amount will be taxable to the holder as interest income (if not previously included in the holder's gross income). Conversely, a holder will generally recognize a loss to the extent any accrued interest was previously included in its gross income and is not paid in full. Each holder is urged to consult its tax advisor regarding the allocation of consideration and the deductibility of losses realized in respect of Allowed General Unsecured Claims for federal income tax purposes.

Where gain or loss is recognized by a holder of an Allowed General Unsecured Claim, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the holder, whether the Claim constitutes a capital asset in the hands of the holder and how long it has been held, whether the Claim was originally issued at a discount or a premium, whether the

Claim was acquired at a market discount, and whether and to what extent the holder previously had claimed a bad debt deduction in respect of that Claim.

**4. Information Reporting and Withholding**

All distributions to holders of Claims under the Plan are subject to any applicable tax withholding, including employment tax withholding. Under U.S. federal income tax law, interest, dividends, and other reportable payments may, under certain circumstances, be subject to “backup withholding” at the then applicable withholding rate. Backup withholding generally applies if the holder (a) fails to furnish its social security number or other taxpayer identification number (“TIN”), (b) furnishes an incorrect TIN, (c) fails properly to report interest or dividends, or (d) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct number and that it is a United States person that is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax and the appropriate information is supplied to the IRS. Certain persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions.

In addition, from an information reporting perspective, Treasury Regulations generally require disclosure by a taxpayer on its federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, the following: (1) certain transactions that result in the taxpayer’s claiming a loss in excess of specified thresholds; and (2) certain transactions in which the taxpayer’s book-tax differences exceed a specified threshold in any tax year. Holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the holders’ tax returns.

**The foregoing summary has been provided for informational purposes only.**

**All holders of Claims receiving a distribution under the Plan are urged to consult their tax advisors concerning the federal, state, local and foreign tax consequences applicable under the Plan.**

Dated: March 31, 2017  
New Haven, Connecticut

THE DEBTOR,  
500 NORTH AVENUE, LLC

THE DEBTOR,  
500 NORTH AVENUE, LLC

By: /s/Joseph Regensburger  
Joseph Regensburger  
Its Member

By: /s/Douglas S. Skalka  
Douglas S. Skalka (ct00616)  
NEUBERT, PEPE & MONTEITH, P.C.  
195 Church Street  
New Haven, CT 06510  
(203) 821-2000  
dskalka@npmlaw.com

# EXHIBIT A

**REAL PROPERTY APPRAISAL REPORT**



estimating the market value of the fee simple interest  
in certain real estate known as

**10 FIFTH AVENUE, STRATFORD, CONNECTICUT**

reflecting market conditions as of March 6, 2014

Prepared For:  
Douglas S. Skalka, Esq.  
NEUBERT, PEPE & MONTEITH, P.C.  
195 Church Street  
13<sup>th</sup> Floor  
New Haven, Connecticut 06510

Albert W. Franke III, SRA, MRICS  
ADVISRA CONSULTING, LLC  
35 Elm Street  
New Haven, Connecticut 06510

**RECONCILIATION AND FINAL VALUE OPINION:** The only applicable approach to value, and that which has been developed herein, was the sales comparison approach. This approach was processed using good quality data from within subject's immediate market area and yielded a value for the subject lot of \$179,500.

Therefore, on the basis of my inspection of the premises, research and analysis of all available data deemed pertinent, it is my opinion that the within described real property, as of March 6, 2014, had a market value of:

**ONE HUNDRED SEVENTY-NINE THOUSAND FIVE HUNDRED DOLLARS  
( \$179,500.00 )**

I hereby certify that I have no interest in this property, now or contemplated, and that my employment was in no way contingent upon the value indicated.

Respectfully submitted,  
ADVISRA CONSULTING, LLC

A handwritten signature in black ink, appearing to read 'Albert W. Franke III', with a stylized flourish at the end.

Albert W. Franke III, SRA, MRICS  
Member, Appraisal Institute  
Connecticut Certified General Real Estate Appraiser  
Certification No. RCG.0000835

**REAL PROPERTY APPRAISAL REPORT**



estimating the market value of the fee simple interest  
in certain real estate known as

**1794-1796 BARNUM AVENUE, BRIDGEPORT, CONNECTICUT**

reflecting physical improvements and market conditions as of March 18, 2014

Prepared For:  
Douglas S. Skalka, Esq.  
NEUBERT, PEPE & MONTEITH, P.C.  
195 Church Street  
13<sup>th</sup> Floor  
New Haven, Connecticut 06510

Albert W. Franke III, SRA, MRICS  
ADVISRA CONSULTING, LLC  
35 Elm Street  
New Haven, Connecticut 06510

**RECONCILIATION AND FINAL VALUE OPINION:** All three approaches to value have been considered in this appraisal and only the sales comparison approach has been developed herein. This approach was carefully processed using average quality data from within the immediate market area and yielded a value for subject of \$281,000. The cost and income capitalization approaches have been excluded from this analysis for reasons previously discussed herein.

Therefore, on the basis of my inspection of the premises, research and analysis of all available data deemed pertinent, it is my opinion that the within described real property, as of March 18, 2014, had a market value of:

**TWO HUNDRED EIGHTY-ONE THOUSAND DOLLARS  
( \$281,000.00 )**

I hereby certify that I have no interest in this property, now or contemplated, and that my employment was in no way contingent upon the value indicated.

Respectfully submitted,  
ADVISRA

A handwritten signature in black ink, appearing to read 'Albert W. Franke III SRA', with a stylized flourish at the end.

Albert W. Franke III, SRA, MRICS  
Member, Appraisal Institute  
Connecticut Certified General Real Estate Appraiser  
Certification No. RCG.0000835

**REAL PROPERTY APPRAISAL REPORT**



estimating the market value of the fee simple interest  
in certain real estate known as

**314-322 BRIDGEPORT AVENUE, MILFORD, CONNECTICUT**

reflecting physical improvements and market conditions as of March 18, 2014

Prepared For:  
Douglas S. Skalka, Esq.  
NEUBERT, PEPE & MONTEITH, P.C.  
195 Church Street  
13<sup>th</sup> Floor  
New Haven, Connecticut 06510

Albert W. Franke III, SRA, MRICS  
ADVISRA CONSULTING, LLC  
35 Elm Street  
New Haven, Connecticut 06510

**RECONCILIATION AND FINAL VALUE OPINION:** Only the sales comparison approach was meaningful and relevant in the valuation of the subject property and is the only approach developed herein. This approach was carefully processed using average to good quality data from within subject's market area and yielded a value for subject of \$345,000.

Therefore, on the basis of my inspection of the premises, research and analysis of all available data deemed pertinent, it is my opinion that the within described real property, as of March 18, 2014, had a market value of:

**THREE HUNDRED FORTY-FIVE THOUSAND DOLLARS  
( \$345,000.00 )**

I hereby certify that I have no interest in this property, now or contemplated, and that my employment was in no way contingent upon the value indicated.

Respectfully submitted,  
ADVISRA

A handwritten signature in black ink, appearing to read "Albert W. Franke III", followed by a horizontal line and the letters "SRA".

Albert W. Franke III, SRA, MRICS  
Member, Appraisal Institute  
Connecticut Certified General Real Estate Appraiser  
Certification No. RCG.0000835

**REAL PROPERTY APPRAISAL REPORT**



estimating the market value of the fee simple interest  
in certain real estate known as

**512 NORTH AVENUE, BRIDGEPORT, CONNECTICUT**

reflecting physical improvements and market conditions as of January 6, 2015

Prepared For:  
Douglas S. Skalka, Esq.  
NEUBERT, PEPE & MONTEITH, P.C.  
195 Church Street  
13<sup>th</sup> Floor  
New Haven, Connecticut 06510

Albert W. Franke III, SRA, MRICS  
ADVISA CONSULTING, LLC  
P.O. Box 9680  
New Haven, Connecticut 06536

The foregoing transactions have been adjusted for all differences in value-influencing factors and indicate a range in market value for the subject of \$34.49 to \$43.02 per square foot of GBA, including land. The median adjusted unit value is \$34.92 per square foot and the average is \$37.48. Each sale required numerous adjustments and subject's market value is estimated at \$37.00 per square foot of GBA, including land. I have applied this unit value to subject's GBA as follows:

$\$37.00 \text{ per square foot} \times 9,430 \text{ square feet} = \$348,910., \text{ round to } \$350,000.$

**INDICATED VALUE VIA SALES COMPARISON APPROACH = \$350,000.00**

**RECONCILIATION AND FINAL VALUE OPINION:** All approaches to value have been considered in this appraisal and only the sales comparison approach has been developed herein. This approach was carefully processed using average quality data from within the immediate market area and yielded a value for subject of \$350,000.

Therefore, on the basis of my inspection of the premises, research and analysis of all available data deemed pertinent, it is my opinion that the within described real property, as of January 6, 2015, had a market value of:

**THREE HUNDRED FIFTY THOUSAND DOLLARS  
( \$350,000.00 )**

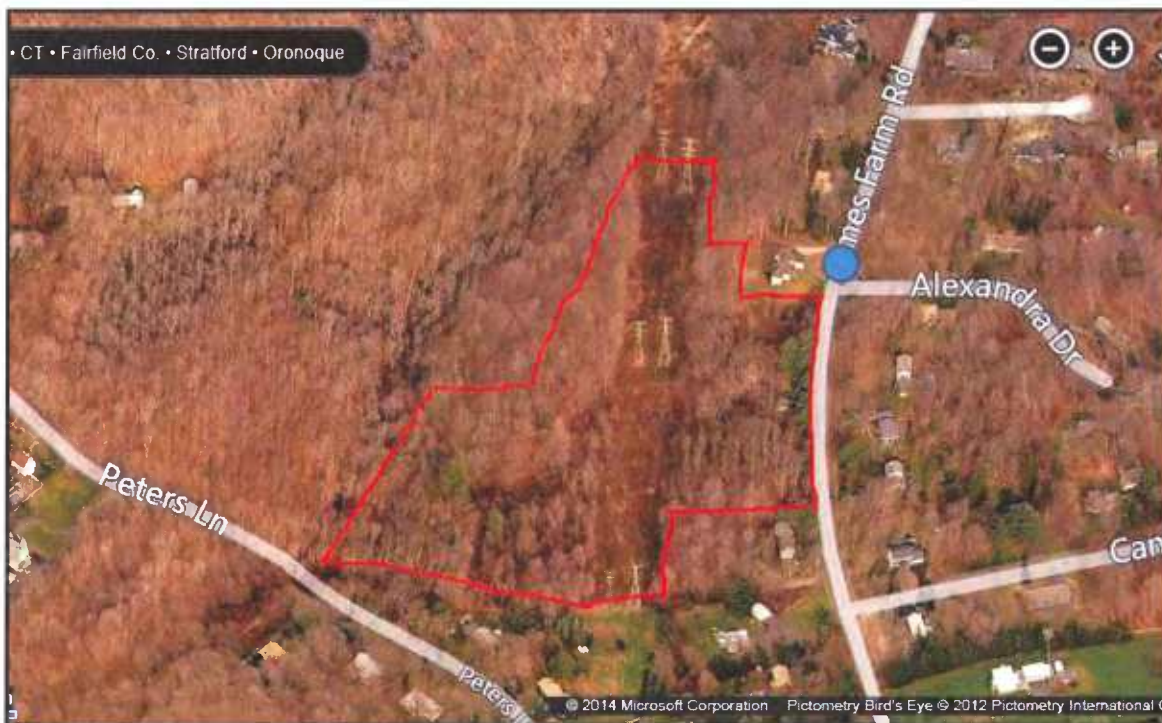
I hereby certify that I have no interest in this property, now or contemplated, and that my employment was in no way contingent upon the value indicated.

Respectfully submitted,  
ADVISRA CONSULTING, LLC

A handwritten signature in black ink, appearing to read 'Albert W. Franke III', with a stylized flourish at the end.

Albert W. Franke III, SRA, MRICS  
Connecticut Certified General Real Estate Appraiser  
Certification No. RCG.0000835

**REAL PROPERTY APPRAISAL REPORT**



estimating the market value of the fee simple interest  
in certain real estate known as

**795 JAMES FARM ROAD, STRATFORD, CONNECTICUT**

reflecting physical improvements and market conditions as of June 19, 2014

Prepared For:  
Douglas S. Skalka, Esq.  
NEUBERT, PEPE & MONTEITH, P.C.  
195 Church Street  
13<sup>th</sup> Floor  
New Haven, Connecticut 06510

Albert W. Franke III, SRA, MRICS  
ADVISRA CONSULTING, LLC  
35 Elm Street  
New Haven, Connecticut 06510

**RECONCILIATION AND FINAL VALUE OPINION:** Only the sales comparison approach was meaningful and relevant in the valuation of the subject property and is the only approach developed herein. This approach was carefully processed using average to good quality data from within subject's market area and yielded a value for subject of \$242,000.

Therefore, on the basis of my inspection of the premises, research and analysis of all available data deemed pertinent, it is my opinion that the within described real property, as of June 19, 2014, had a market value of:

**TWO HUNDRED FORTY-TWO THOUSAND DOLLARS  
( \$242,000.00 )**

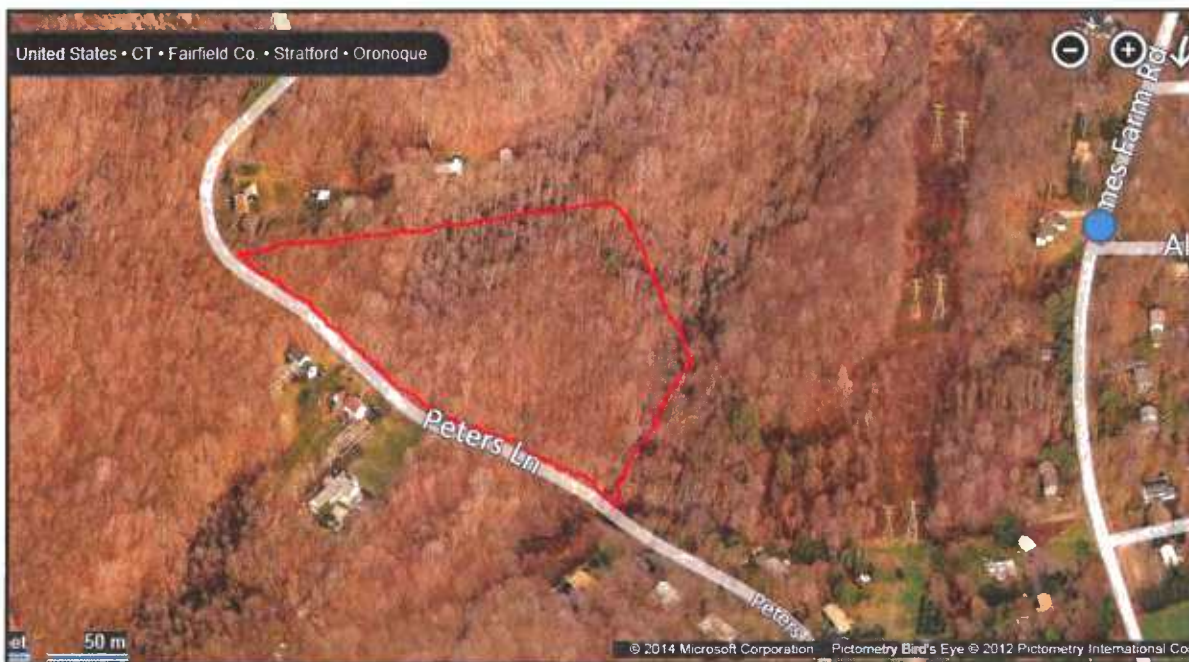
I hereby certify that I have no interest in this property, now or contemplated, and that my employment was in no way contingent upon the value indicated.

Respectfully submitted,  
ADVISRA

A handwritten signature in black ink, appearing to read 'Albert W. Franke III SRA', with a stylized flourish at the end.

Albert W. Franke III, SRA, MRICS  
Member, Appraisal Institute  
Connecticut Certified General Real Estate Appraiser  
Certification No. RCG.0000835

**REAL PROPERTY APPRAISAL REPORT**



estimating the market value of the fee simple interest  
in certain real estate known as

**NE/S PETERS LANE, STRATFORD, CONNECTICUT**

reflecting physical improvements and market conditions as of June 19, 2014

Prepared For:  
Douglas S. Skalka, Esq.  
NEUBERT, PEPE & MONTEITH, P.C.  
195 Church Street  
13<sup>th</sup> Floor  
New Haven, Connecticut 06510

Albert W. Franke III, SRA, MRICS  
ADVISRA CONSULTING, LLC  
35 Elm Street  
New Haven, Connecticut 06510

**RECONCILIATION AND FINAL VALUE OPINION:** Only the sales comparison approach was meaningful and relevant in the valuation of the subject property and is the only approach developed herein. This approach was carefully processed using average to good quality data from within subject's market area and yielded a value for subject of \$178,000.

Therefore, on the basis of my inspection of the premises, research and analysis of all available data deemed pertinent, it is my opinion that the within described real property, as of June 19, 2014, had a market value of:

**ONE HUNDRED SEVENTY-EIGHT THOUSAND DOLLARS  
( \$178,000.00 )**

I hereby certify that I have no interest in this property, now or contemplated, and that my employment was in no way contingent upon the value indicated.

Respectfully submitted,  
ADVISRA

A handwritten signature in black ink, appearing to read "Albert W. Franke III", with a stylized flourish at the end.

Albert W. Franke III, SRA, MRICS  
Member, Appraisal Institute  
Connecticut Certified General Real Estate Appraiser  
Certification No. RCG.0000835

# EXHIBIT B

**500 NORTH AVENUE, LLC  
SIXTH AMENDED PLAN AND DISCLOSURE STATEMENT  
EXHIBIT B**

PropertyName	Claimant	PrincipalAmt	Accrued Interest thru 4/2017	LienNature	Total Estimated Claim Amount	Proposed Monthly Plan Payment
<b>10 Fifth Avenue, Stratford</b>	State Tax Collection Agency LL	1,617.58	2,256.52	Real Estate Tax Lien (2008 List)		
	State Tax Collection Agency LL	4,046.72	4,916.76	Real Estate Tax Lien (2009 List)		
	State Tax Collection Agency LL	4,147.52	2,146.34	Real Estate Tax Lien (2010 List)		
	<b>STCA Totals</b>	<b>9,811.82</b>	<b>6,219.38</b>	<b>RE Taxes 2008, 2009 &amp; 2010</b>	<b>16,031.20</b>	<b>\$0.00</b>
	Town of Stratford	4,187.60	1,495.72	RE Tax 2011		
	Town of Stratford	4,207.04	2,713.54	RE Tax 2012		
	Town of Stratford	2,876.62	172.60	RE Tax 2015		
	<b>Town of Stratford Total</b>	<b>11,271.26</b>	<b>4,381.86</b>	<b>RE Taxes 2011, 2012 &amp; 2015</b>	<b>15,653.12</b>	<b>\$0.00</b>
<b>1794-1798 Barnum Avenue, Bridgeport</b>	Tower Lien, LLC	8,883.86	7,376.54	Real Estate Tax Lien (2008 List)		
	Tower Lien, LLC	9,090.24	6,817.78	Real Estate Tax Lien (2009 List)		
	Tower Lien, LLC	9,999.28	5,699.58	Real Estate Tax Lien (2010 List)		
	Tower Lien, LLC	10,370.08	4,044.36	Real Estate Tax Lien (2011 List)		
	Tower Lien, LLC	9,598.20	2,015.72	Real Estate Tax Lien (2012 List)		
	Tower Lien, LLC	4,455.38	267.32	Real Estate Tax Lien (2013 List)		
	<b>Tower Lien, LLC Total</b>	<b>52,397.04</b>	<b>26,221.31</b>	<b>RE Tax Liens (2008 - 2013)</b>	<b>78,618.35</b>	<b>\$0.00</b>
<b>314 Bridgeport Avenue, Milford</b>	MTAG Services LLC	5,277.74	316.67	Real Estate Taxes (2008 Grand List)		
	MTAG Services LLC	5,458.14	327.49	Real Estate Taxes (2009 Grand List)		
	MTAG Services LLC	5,544.50	5,572.23	Real Estate Taxes (2010 Grand List)		
	MTAG Services LLC	6,010.10	4,958.33	Real Estate Taxes (2011 Grand List)		
	MTAG Services LLC	4,610.02	2,973.46	Real Estate Taxes (2012 Grand List)		
	MTAG Services LLC	227.40	-	Sewer Use Lien (2008 Grand List)		
	MTAG Services LLC	272.64	-	Sewer Use Lien (2009 Grand List)		
	MTAG Services LLC	287.76	-	Sewer Use Lien (2010 Grand List)		
	MTAG Services LLC	309.72	255.52	Sewer Use Lien (2011 Grand List)		
	MTAG Services LLC	300.60	193.89	Sewer Use Lien (2012 Grand List)		
	<b>MTAG Services LLC Total</b>	<b>28,298.62</b>	<b>14,597.58</b>	<b>RE Tax and Sewer Use Liens (2008-2012)</b>	<b>42,896.20</b>	<b>\$0.00</b>
<b>512 North Avenue, Bridgeport</b>	City of ~Bridgeport	819.50	36.88	Real Estate Tax Lien (2008 List)		
	City of ~Bridgeport	4,078.38	183.53	Real Estate Tax Lien (2008 List)		
	City of ~Bridgeport	17,481.04	786.65	Real Estate Tax Lien (2008 List)		
	City of ~Bridgeport	987.44	1,170.11	Real Estate Tax Lien (2009 List)		
	City of ~Bridgeport	4,252.52	5,039.31	Real Estate Tax Lien (2009 List)		
	City of ~Bridgeport	20,383.14	24,154.01	Real Estate Tax Lien (2009 List)		
	City of ~Bridgeport	14,042.25	842.54	Real Estate Tax Lien (2014 List)		
	<b>City of Bridgeport Total</b>	<b>62,044.27</b>	<b>32,213.03</b>	<b>RE Taxes 2008, 2009 and 2013</b>	<b>94,257.30</b>	<b>\$0.00</b>

**500 NORTH AVENUE, LLC  
SIXTH AMENDED PLAN AND DISCLOSURE STATEMENT  
EXHIBIT B**

PropertyName	Claimant	PrincipalAmt	Accrued Interest thru 4/2017	LienNature	Total Estimated Claim Amount	Proposed Monthly Plan Payment
<b>512 North Avenue, Bridgeport</b>	MTAG Services LLC	25,568.52	1,752.46	Real Estate Tax Lien (2010 List)		
	MTAG Services LLC	26,516.70	21,876.27	Real Estate Tax Lien (2011 List)		
	MTAG Services LLC	24,542.94	9,810.29	Real Estate Tax Lien (2013 List)		
	<b>MTAG Services LLC Total</b>	<b>76,628.16</b>	<b>33,439.02</b>	<b>Real Estate Tax Liens (2010, 2011, 2013)</b>	<b>110,067.18</b>	<b>\$0.00</b>
<b>795 James Farm Road, Stratford</b>	Town of Stratford	7,999.26	10,918.99	Real Estate Tax Lien (2008)		
	Town of Stratford	7,368.06	8,731.15	Real Estate Tax Lien (2009)		
	Town of Stratford	11,106.26	11,161.79	Real Estate Tax Lien (2010)		
	Town of Stratford	11,213.60	9,251.22	Real Estate Tax Lien (2011)		
	Town of Stratford	11,265.62	7,266.32	Real Estate Tax Lien (2012)		
	Town of Stratford	6,581.29	789.75	RE Tax 2013		
	Town of Stratford	10,588.90	3,010.19	RE Tax 2014		
	Town of Stratford	11,132.82	1,168.94	RE Tax 2015		
	<b>Town of Stratford Total</b>	<b>77,255.81</b>	<b>52,298.34</b>	<b>Real Estate Tax (2008 - 2015)</b>	<b>129,554.15</b>	<b>\$5,621.79</b>
<b>Peters Lane, Lot 19, Stratford</b>	Town of ~Stratford	6,772.00	12,900.66	Real Estate Tax Lien (2005)		
	Town of ~Stratford	7,067.66	12,191.71	Real Estate Tax Lien (2006)		
	Town of ~Stratford	7,159.18	11,060.94	Real Estate Tax Lien (2007)		
	Town of ~Stratford	7,123.98	9,724.24	Real Estate Tax Lien (2008)		
	Town of ~Stratford	8,557.58	10,140.74	Real Estate Tax Lien (2009)		
	Town of ~Stratford	8,770.74	8,814.59	Real Estate Tax Lien (2010)		
	Town of ~Stratford	8,855.50	7,305.79	Real Estate Tax Lien (2011)		
	Town of ~Stratford	8,896.60	5,738.31	Real Estate Tax Lien (2012)		
	Town of ~Stratford	137.26	16.47	RE Taxes 2013		
	Town of Stratford	7,509.54	2,140.22	RE Taxes 2014		
	Town of ~Stratford	7,917.70	831.36	RE Taxes 2015		
	<b>Town of Stratford Total</b>	<b>78,767.74</b>	<b>80,865.01</b>	<b>RE Taxes 2005 - 2015</b>	<b>159,632.75</b>	<b>\$6,791.16</b>
					<b>Total Monthly Payments</b>	<b>\$12,412.95</b>

# EXHIBIT C

Exhibit C

December 16, 2016

500 North Avenue, LLC  
Attn: Joseph Regensburger  
PO Box 524  
Stratford, CT 06615

Re: Option payments

Dear Mr. Regensburger:

I am a member (owner) of Millennium Group Management, LLC ("Millennium"). Millennium has made option payments since 2015 to 500 North Avenue, LLC ("500 North") pursuant to an agreement under which Millennium has sought to maintain an option to purchase the real property owned by 500 North and located at 314 Bridgeport Avenue, Milford, Connecticut (the "Property").

I am writing to confirm that Millennium (i) is aware that 500 North is currently a debtor-in-possession in a pending chapter 11 bankruptcy case in the United States Bankruptcy Court, District of Connecticut; and (ii) shall not pursue a claim against 500 North or its bankruptcy estate for any of the option payments it has made to 500 North regarding the Property whether or not Millennium seeks to exercise the purchase option.

Feel free to contact me if you have any questions regarding Millennium's position on this matter.

Sincerely,  
Millennium Group Management, LLC

By: \_\_\_\_\_

*Shawn Moffatt*

Name:

Title:

Exhibit C

December 16, 2016

500 North Avenue, LLC  
Attn: Joseph Regensburger  
PO Box 524  
Stratford, CT 06615

Re: Option payments

Dear Mr. Regensburger:

I am the sole shareholder (owner) of Now Entity, Inc. ("Now Entity"). Now Entity has made option payments since 2015 to 500 North Avenue, LLC ("500 North") pursuant to an agreement under which Now Entity has sought to maintain an option to purchase the real property owned by 500 North and located at 10 Fifth Avenue, Stratford, Connecticut (the "Property").

I am writing to confirm that Now Entity (i) is aware that 500 North is currently a debtor-in-possession in a pending chapter 11 bankruptcy case in the United States Bankruptcy Court, District of Connecticut; and (ii) shall not pursue a claim against 500 North or its bankruptcy estate for any of the option payments it has made to 500 North regarding the Property whether or not Now Entity seeks to exercise the purchase option.

Feel free to contact me if you have any questions regarding Now Entity's position on this matter.

Sincerely,  
Now Entity, Inc.

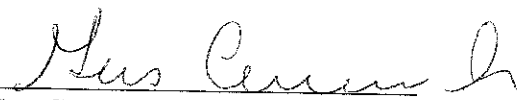
By:   
Gus Curcio, Sr.  
Its President

Exhibit C

December 16, 2016

500 North Avenue, LLC  
Attn: Joseph Regensburger  
PO Box 524  
Stratford, CT 06615

Re: Option payments

Dear Mr. Regensburger:

I am the sole shareholder (owner) of Red Rose, Inc. ("Red Rose"). Red Rose has made option payments since 2015 to 500 North Avenue, LLC ("500 North") pursuant to an agreement under which Red Rose has sought to maintain an option to purchase the real property owned by 500 North and located at 1794 Barnum Avenue, Bridgeport, Connecticut (the "Property").

I am writing to confirm that Red Rose (i) is aware that 500 North is currently a debtor-in-possession in a pending chapter 11 bankruptcy case in the United States Bankruptcy Court, District of Connecticut; and (ii) shall not pursue a claim against 500 North or its bankruptcy estate for any of the option payments it has made to 500 North regarding the Property whether or not Red Rose seeks to exercise the purchase option.

Feel free to contact me if you have any questions regarding Red Rose's position on this matter.

Sincerely,  
Red Rose, Inc.


By:   
Richard Urban  
Its President

Exhibit C

December 16, 2016

500 North Avenue, Inc.  
Attn: Joseph Regensburger  
PO Box 524  
Stratford, CT 06615

Re: Option payments

Dear Mr. Regensburger:

I am the sole director (owner) of Keeper's, Inc. ("Keeper's"). Keeper's has made option payments since 2015 to 500 North Avenue, LLC ("500 North") pursuant to an agreement under which Keeper's has sought to maintain an option to purchase the real property owned by 500 North and located at 512 North Avenue, Bridgeport, Connecticut (the "Property").

I am writing to confirm that Keeper's (i) is aware that 500 North is currently a debtor-in-possession in a pending chapter 11 bankruptcy case in the United States Bankruptcy Court, District of Connecticut; and (ii) shall not pursue a claim against 500 North or its bankruptcy estate for any of the option payments it has made to 500 North regarding the Property whether or not Keeper's seeks to exercise the purchase option.

Feel free to contact me if you have any questions regarding Keeper's position on this matter.

Sincerely,  
Keeper's, Inc.

By: \_\_\_\_\_

  
Julia Kish  
Its President

# EXHIBIT D

## **LEASE**

TENANT  
NOW ENTITY INC  
P.O. Box 506  
Stratford, CT 06615

LESSOR  
  
500 NORTH AVENUE LLC  
990 NAUGATUCK AVENUE  
MILFORD, CT 06460  
(203) 331-8524

## LEASE

THIS LEASEHOLD AGREEMENT, MADE AND ENTERED INTO this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between 500 NORTH AVENUE LLC. of 990 Naugatuck Avenue, Milford, CT 06460 (hereinafter referred to as "Lessor"), and NOW ENTITY INC. a Connecticut Corporation (hereinafter referred to as Tenant").

WITNESSETH: that the Lessor hereby lets, leases, and rents unto the Tenant, and the Tenant hereby hires, leases, and takes of the Lessor those premises (hereinafter referred to as "Premises" or "Demised Premises") situated in the City / Town of Stratford, County of Fairfield, and State of Connecticut, known 10 Fifth Avenue Stratford, CT together with the exclusive right of all driveways and parking areas contained upon the parcel of real estate of which the Premises are a part for the use of Tenant, its agents, employees, and invites upon the following terms, conditions, provisions and covenants:

### TERM

1. The term of this Lease shall be for a period of **10 years and 0 month(s)** commencing on the first day of the month after the Lessor obtains a final order approving its plan of reorganization in its pending chapter 11 bankruptcy proceedings (Case No. 14-31094) in the United States Bankruptcy Court, District of Connecticut and terminating **10 years and 0 months** thereafter; provided, however, in the event that the term of this lease shall otherwise terminate on any day other than the last day of the month, the term of this lease shall be extended so that it shall expire at 11:59 P.M. on the last day of such month.

### RENT

The Tenant shall pay to the Lessor as rent during the term of this Lease an aggregate rental of One Hundred and Eighty Thousand (**\$180,000.00**) Dollars, such rent to be payable at Lessor's address for notices as provided in Paragraph 22 herein below, on the first day of each month of the term, in advance, as follows:

- (a) Tenant shall pay to Lessor as rent the sum of **One Thousand Five Hundred (\$1,500.00) Dollars per month,**
- (b) In the event that the first month of the tenancy created herein shall be a portion of a month, Tenant shall pay rental for such portion of a month the amount of \_\_\_\_\_ N/A \_\_\_\_\_ multiplied by a fraction, the numerator of which shall be the number of days of Tenant's occupancy and the denominator of which shall be the number of days of the month for which fractional rent is being paid.
- (c) Tenant shall pay for all water, gas, electric power and any and all sewerage or WPCA charges consumed by it, all license, permit, and inspection fees assessed or charged by reason of its use or occupancy of the Premises, and all taxes and assessments levied on or against its personal property located on said Premises. Tenant shall pay for all fire and extended coverage insurance on the Premises and all real estate taxes and assessments levied and payable thereon during the term hereof.

Landlord may notify Tenant of an increase in the monthly rent to be effective the first month of the renewal period.

### SECURITY DEPOSIT

3. The Tenant shall provide to the Lessor the sum of \$3,000 as a security deposit on or before the commencement of the term of this Lease.

#### LATE PENALTY

4. In the event the rent is not received by the Lessor with ten (10) days of its due date, the rent shall be deemed late and a 10% late penalty shall be due together with the specified amount of rent.

#### INSUFFICIENT FUNDS PENALTY

5. If the Tenant pays the rent with a check and said check is returned by the bank because of any reason, then Tenant agrees to pay 10% of the monthly rental as penalty fee, together with the specified amount of rent.

#### USE

6. Tenant will occupy and use the Premises for; Office / Storage or such other purposes upon Lessors written consent, which consent shall not be unreasonably withheld. And for all other operations necessary or incidental to the conduct of its business. Tenant will not permit the Premises to be used for any immoral or illegal purpose. Tenant will comply with all applicable Laws, ordinances, rules, and regulations of any constituted public authority relating to its business.

(a) Tenant shall not use or permit the use of any part of the Premises for advertising purposes other than in connection with Tenant's business. Any adjoining premises owned by or under control of the Lessor shall not be rented or used during the term of this Lease for an immoral or illegal purpose obviously detrimental to the interest of Tenant.

#### TENANT'S POSSESSION

7. In the event that the term of this Lease is to be determined by reference to the date Lessor tenders possession of the Premises to the tenant and the Tenant accepts the same, the parties hereto shall execute in writing, upon the date the premises are tendered for Tenant's possession and Tenant accepts the same, a document in recordable form stating the commencement date and termination date of the term of this Lease.

#### INSTALLATION OF EQUIPMENT

8 Prior to the commencement of the Lease term, Tenant may at its sole risk, but without charge, install equipment, fixtures, or store merchandise on or in the premises. Tenant agrees that during the period of time prior to the commencement the Lease term but after Tenant begins to install equipment, furniture or store merchandises that the provisions of paragraph 11 will be in full force and effect.

#### ALTERATIONS

9. Tenant, at its expense, may, in good workman like manner, make additions or alterations to the Premises as it deems necessary in the conduct of its business without, however, materially reducing the value of such Premises and shall be required to restore the Premises to their original condition. Additions or alterations made by the Tenant, except as hereinafter provided, shall, unless otherwise agreed to in writing, become the property of the Lessor at the termination of this Lease.

9a. No change or alteration shall at any time be made which shall impair the structural soundness or diminish the value of the building in which the Premises are located.

9b. No changes or alterations shall be undertaken until Tenant shall have procured and paid for all required municipal and other governmental permits and authorizations of the various municipal departments and the governmental subdivisions having jurisdiction

#### LESSOR CONSENT

10. Paragraph (9, 9a, 9b) may not be exercised without the express written consent of the Lessor.

#### REMOVAL OF EQUIPMENT

11. Tenant upon the termination of this Lease shall have the right to remove from the Premises its removable partitions, shelving, removable fixtures, trade fixtures, equipment, furniture, and personal property but shall have to restore the Premises by reason of such removal to its original state.

12. These terms and conditions are binding and if Landlord takes legal action due to Tenants failure to comply, Tenant agrees to pay, in addition to all rent and other charges due the Landlord, all court costs, expenses, and reasonable attorney's fees.

13. The Lessor assumes no liability or responsibility whatsoever in respect to the conduct and operation of the business to be conducted in said Demised Premises by the Tenant, nor for any accident or injury happening or occurring in or about said Demised Premises which was not caused by or as a result of Lessor's gross negligence or willful act. Any liability or responsibility for any accident or injury happening or occurring in or about said Demised Premises which is not the result of the Lessor's gross negligence or willful act shall be the responsibility of the Tenant and Tenant hereby agrees to assume responsibility therefor and save Lessor harmless therefrom.

#### FAILURE TO MAINTAIN

14. In the event Tenant fails to perform any item of repair which Tenant is required to make hereunder or to otherwise pay any sum required of Tenant hereunder, the Lessor may after thirty (30) days notice to the Tenant remedy such payment and in connection therewith pay Moines and employ counsel.

#### FIRE DAMAGE (LOSS OF USE)

15. If all or any part of the Premises is damaged or destroyed by fire or other casualty insured under the fire insurance policy with extended coverage endorsement applicable to the Premises, the Lessor shall at its sole expense repair and rebuild the Premises within one hundred eighty (180) days of the date of the casualty. If it is determined that the damage has rendered the Premises untenable, in whole or in part, for Tenant's normal business use, there shall be an abatement of the rent and all other charges hereunder until the premises are repaired and the said Premises are rendered tenable for Tenant's normal business use. Such abatement shall be determined by Lessor on the basis of the percentage of Tenant's normal business use and activity limited by the damage. If the Lessor is unable to repair and/or rebuild the Premises within one hundred eighty (180) days of the date of the casualty, Lessor may at any time after one hundred eighty (180) days, at its option, terminate this Lease and be relieved of all further obligations hereunder.

#### CONDEMNATION

16. If the Premises or the parking area (even if Tenant's rights thereto are non-exclusive) or such part thereof as would render the remainder unsuitable for Tenant's use, be appropriated or condemned by public authority, be taken by proceedings in eminent domain or notice thereof be served, or if by reason of any law or ordinance the use of the Premises for the purpose of this Lease shall be unlawful, Tenant may at its option terminate this Lease upon thirty (30) days written notice to Lessor, and rent shall be paid only to the time when Tenant surrenders possession of the Premises. If only a part of the Premises are so taken, Tenant may elect to continue in possession of the remainder and in such case the rent payable hereunder shall be reduced proportionally. Any rent paid in advance shall be returned by Lessor to Tenant on demand. Lessor will, on written notice for the benefit of Tenant but at Tenant's expense, include in its claim against the taking authority such sum as Tenant certifies to Lessor as damages resulting from Tenant's loss of occupancy or relocation expense.

#### ASSIGNMENT AND SUBLETTING

17. Tenant may assign or sublet the Premises to a person; corporation or other legal entity for any lawful purpose not more hazardous than the uses herein specified, provided, however, that any such assignment or sublease shall at no time relieve Tenant of the obligations imposed upon it by the terms of this Lease. It is agreed that in the event that Tenant proposes to assign this Lease or sublet the Premises to a person, corporation or other legal entity, Tenant will not assign or sublet without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. In connection with such an assignment or sublet, it is agreed that the Lessor will respond in writing to any request by the Tenant within thirty (30) days of the request. The failure to respond in writing within the thirty (30) day period shall be deemed a

grant of consent. In addition, if Lessor proposes to withhold its consent, it shall state the reasons therefor within its written response.

#### ESTOPEL

18. Each party agrees at any time and from time to time at the request of the other and upon not less than ten (10) days and not more than twenty (20) days prior advance notice to execute, acknowledge and deliver to the other a statement in writing certifying that the Lease is unmodified and, if such is the fact, in full force and effect, and if such is the fact, that there are no known defaults thereunder or, if there are, specifying the same and any offsets, counterclaims, or defenses being claimed and dates to which the rent and other charges have been paid. It is intended that any such statement delivered pursuant to this section may be relied upon by any prospective purchaser or acquirer of either party hereto or any prospective lender to either party hereto or by any other properly interested party.

(a) The execution, acknowledgment and delivery of any such statement shall not, however, affect any claim or right of action of the party executing, acknowledging or delivering the same as against the other party hereto.

#### LANDLORD'S INSPECTION

19. Lessor shall have the right to enter the Premises during Tenant's normal business hours to inspect and make repairs. Lessor agrees not to exercise this right in such a way as to unreasonably interfere with Tenant's business.

#### DEFAULT OF TENANT

20. If Tenant defaults in the payment of rent, and such default continues for a period of ten (10) days after Lessor notifies thereof, or defaults in the performance of any other condition or covenant of this Lease, and such default continues for thirty (30) days after written notice, Lessor shall have the right to institute legal proceedings to re-enter said Premises and remove Tenant and all other persons therefrom and shall have the option of canceling this Lease. Provided, Tenant shall not, however, be held in default if its failure to pay rent on the date due or otherwise perform in accordance with the terms hereof results from riots, civil commotion, governmental intervention, act of God or any other act or event beyond its reasonable control, but nothing herein shall relieve Tenant from thereafter paying all past due rent as soon as it is reasonably possible under the circumstances. Provided, further, if the Tenant is in default in the performance of any condition or covenant of this Lease other than the covenant to pay rent and if such default is of such nature that it cannot be cured within thirty (30) days if the Tenant commenced curing such default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to remedy such default Lessor shall not be entitled to cancel this Lease or otherwise avail itself of any right or remedy at law for the cancellation of this Lease.

(a) If the Tenant shall be dispossessed for non-payment of rent, or if the leased premises shall be deserted or vacated, the Landlord or its agents shall have the right to and may enter the said premises as the agent of the Tenant, either by force or otherwise, without being liable for any prosecution or damages therefore, and may relet the premises as the agent of the Tenant, and receive the rent therefore, upon such terms as shall be satisfactory to the Landlord, and all rights of the Tenant to repossess the premises under the Lease shall be forfeited. Such re-entry by the Landlord shall not operate to release the Tenant from any rent to be paid or covenants to be performed hereunder during the full term of this lease.

(b) It is agreed that Tenant shall in no event be excused from performance in the failure to pay rent or to perform in accordance with the terms of the Lease for a period more than ninety (90) consecutive days.

#### HOLDING OVER

21. If at the expiration of this Lease Tenant should hold over for any reason whatever, it is hereby agreed that in absence of a written agreement to the contrary, such tenancy shall be from month to month only, and under the same conditions and at one and one-half times the monthly rental as provided for herein.

#### NOTICES

22. All notices required or agreed to be given hereunder by either party shall be in writing and sent postage prepaid, certified or registered mail, return receipt requested to the addresses provided as follows:

TO LESSOR: 500 NORTH AVENUE LLC  
990 NAUGATUCK AVENUE  
MILFORD, CT 06460

TO TENANT: NOW ENTITY, INC.  
P.O. BOX 524  
STRATFORD, CT 06615

Either party may by notice change their address as provided hereinabove.

#### WAIVER

23 No waiver of any of the terms, conditions, provisions or covenants of this Lease or a breach of the same shall constitute a waiver of any other covenant or the continued breach of said covenants.

#### COVENANT OF QUIET ENJOYMENT

24. Lessor represents that it is the owner or authorized agent for the owner of the Premises, has the right to lease the same, and at Tenant's request will submit proof thereof. If Tenant performs all the covenants herein agreed to be performed by it, Lessor, its heirs, executors, administrators, mortgagees, successors or assigns, shall warrant and defend Tenant in the quiet enjoyment and peaceful possession of said Premises during the Lease Term.

#### USE OF COMMON AREAS

25. If the Premises are a part of the parcel of real estate owned by Lessor, it is agreed as follows:

(a) Tenant shall keep its share of the driveway, parking area and sidewalks free from debris, ice, and snow.

(b) Lessor shall promulgate and enforce reasonable rules and regulations so that the conduct by the other tenants of Lessor and their invitees and employees shall not create or tend to create an objectionable nuisance or other objectionable interference with the business use of Tenant's Premises.

#### ENTIRE AGREEMENT

26. This agreement contains the entire understanding between the parties with respect to the Premises and may not be varied, altered or changed except by an instrument in writing executed by the parties hereto.

#### CONSTRAINTS

27. This agreement shall bind and inure to the benefit of the parties hereto and to their respective heirs, executor's administrators, successors and assigns.

#### INVALID OR UNENFORCEABLE PROVISIONS

28. In the event that any provision of this Lease shall be determined to be invalid or unenforceable, such finding shall not effect the validity of this Lease or any other term, condition or covenant hereof.

#### OPTIONS

29. Tenant shall have the option to renew this Lease for 1 additional periods of 1 years, provided Tenant shall not have been in default of any of the provisions of this Lease during the term hereof, by notifying the Lessor, in writing, certified mail return receipt requested of his intent to exercise such option no less than Two (2) months before the termination date of this Lease,

(a) Lessor and Tenant shall negotiate in good faith to establish the annual rent to be paid by the Tenant to the Landlord for such option. If the Lessor and Tenant cannot agree upon a rental figure, such rental figure

shall be established through arbitration. The Lessor and Tenant shall each select one representative for each of them for the Arbitration Panel and the representative so chosen shall select a third person who shall be Chairman of the Arbitration Panel. The Chairman of the Arbitration Panel shall be a licensed Realtor with offices within a 15-mile radius of the premises being leased and whose business is the leasing of commercial real estate.

(b) The decision of a majority of such Arbitration Panel shall be binding upon the Lessor and Tenant with respect to the rent determined by such panel. If the decision of the Panel is rendered after the option period has commenced, such rental shall be retroactive to the commencement date of the option period.

#### BROKERS COMMISSION

30. Lessor hereby recognizes that \_\_\_\_\_ N/A \_\_\_\_\_

were the agents who procured this Lease. Lessor's obligation to the agents for their services shall be as provided in a separate agreement executed between Lessor and the agents. Lessor agrees to indemnify and hold Tenant harmless for any and all claims brought by the agents or any party claiming a commission for the leasing of the Demised Premises pursuant to this Lease.

#### CAPTIONS AND SECTIONS

31. The captions, paragraph numbers, and index appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such paragraph of this Lease nor in any way affect this Lease.

#### FAILURE TO EXERCISE

32. Failure to exercise any option or to resort to any remedies provided herein or permitted by law, in the event of any default, shall not constitute a waiver of the right to exercise the same in the event of any future default.

#### LAWS

33. You will comply with all laws and regulations regarding the premises. You will also not permit any others to violate any laws or regulations while in the premises or on the property. You agree to pay us any and all amounts, which we may pay as fines or penalties as a result of you or others violating any law or regulation.

#### SALE OF PROPERTY:

34. (a) Lessor reserves the right to market the property for sale at any time during the term of this lease.

(b) In the event the property is sold prior to the termination of this lease, except by a taking the buyer may terminate or continue this lease at his / her option.

(c) If the property is sold, the Lessor may assign the security deposit to the new owner and give you notice of doing so, which will then release the Lessor of all further liability to you under this lease.

#### TERMINATION OF LEASE

35, In the event that for any reason the Tenant files either personal or corporate bankruptcy, it is agreed that the Tenant will release the Lessor from any and all obligations under the terms and conditions of this Lease and surrender the premises immediately.

36, Attached is a list of personal property owned by the Lessor and part of the leased premises. All equipment and furniture is in good working condition and it is the Tenants responsibility to maintain it in good working order or to replace it as necessary.

## SUBORDINATION

37. This lease is subject and subordinate to all mortgages which may now or hereafter affect the real property of which Premises form a part, and to all renewals, modifications, consolidation, replacements and extensions thereof. This clause shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, Tenant shall execute promptly any certificate the Landlord may request, and Tenant hereby constitutes and appoints Landlord the Tenant's attorney-in-fact to execute any such certificate or certificates for and on behalf of Tenant.

## OPTION TO PURCHASE

38. Tenant shall have the option to purchase the property at any time during this Lease provided Tenant shall not have been in default of any of the provisions of this Lease during the term hereof, by notifying the Lessor, in writing, by certified mail return receipt requested of his intent to exercise such option.

Together with such written notice to exercise its option to purchase, the Tenant shall give the Lessor a non-refundable deposit, to be credited towards the purchase price, in the amount of \$7,000.00. Upon such delivery of its notice to exercise and payment of the deposit, this Agreement shall constitute the contract of purchase and sale between the Tenant and Lessor and the purchase and sale transaction shall proceed as provided hereinafter.

(a) Lessor and Tenant shall negotiate in good faith to establish the sale price to be paid by the Tenant to the Lessor for the property. If the Lessor and Tenant cannot agree upon a sales price, such sale price shall be established as follows. The Lessor and Tenant shall each select one licensed commercial real estate appraiser for each of them and the two appraisers so chosen shall select a third licensed commercial real estate appraiser. In the event the two appraisers cannot agree on the third, they shall take the names of the first five licensed commercial real estate appraisers from the Bridgeport CT yellow pages, the name shall be written on pieces of paper and placed in a receptacle. A neutral 3<sup>rd</sup> party shall be selected by the appraisers to draw the name of the appraiser who shall serve as the third licensed commercial real estate appraiser.

(b) If the three appraisers cannot agree upon a valuation, each appraiser shall place his value in writing and the three appraisals shall be added and divided by three to reach the sales price for this transaction. The closing must take place within thirty (30) days after the valuation is made by the three appraisers, as aforesaid. The Closing date may be extended upon mutual consent of the Lessor and Tenant

(c) There is no mortgage contingency. In the event the Tenant does not purchase the property for any reason, other than a default by the Lessor, all sums paid shall be forfeited and shall be retained by the Lessor.

(d) The property will be sold in its present condition, AS IS, with no warranties and representations of any kind, except for warranties of title, as provided below.

(e) Marketable title will be given by warranty deed. The Tenant shall perform its own title search at its sole expense. The "Standards of Title" as published by the Connecticut Bar Association shall control any questions relating to defects of title under this section.

(f) At time of closing, rents, security deposits, real estate taxes, sewer service, sidewalk or other municipal liens or assessments, if any, are to be adjusted and apportioned in accordance with the standard of practice assumed by the Bar Association in the locale.

(g) In addition to the aforementioned deed the Lessor shall at time of closing deliver to the Tenant the necessary amount for the local and Connecticut real estate conveyance taxes.

(h) The risk of loss or damage to any buildings and other improvements on the premises by fire or other cause prior to the closing is assumed by the Lessor. The Lessor shall maintain until the closing all existing insurance on such buildings and improvements.

(i) The parties represent unto each other that NO BROKER is entitled to claim a commission for this transaction. The Tenant agrees to hold the Lessor harmless from any claims made by any real estate brokers concerning commissions for the option of the premises including the reasonable cost of defending any such claims.

(j) Except if an appraisal is required as provided above, the closing shall take place within 30 days of the notice of exercise, or at such other earlier date as may be subsequently agreed upon by the parties. The closing will be held in the law office of Lessor's counsel

(k) The right to purchase the property shall not be assigned by Tenant without the prior written consent of the Lessor.

l) The delivery and acceptance of the deed herein described shall be deemed to constitute full compliance with all the terms, conditions, covenants and representations contained herein, or connected with this transaction except as may expressly survive the closing of title.

m) This Contract shall be construed, interpreted, governed and enforced in accordance with the laws of the State of Connecticut.

The **Tenant** waives the defense that the law will construe this Agreement against the drafter in the event of any ambiguity or defect herein.

IN THE WITNESS WHEREOF,

Lessor has on the day and year first herein above set forth, and intending that this Lease be a sealed instrument, executed this Lease under seal; caused this lease to

be signed \_\_\_\_\_ by \_\_\_\_\_ attested  
by \_\_\_\_\_

\_\_\_\_\_ and Tenant has,  
on the day and year first herein above set forth, and intending that this Lease be a sealed instrument, caused this Lease to be  
signed \_\_\_\_\_

ATTEST:

LESSOR:

\_\_\_\_\_  
ATTEST:

By: \_\_\_\_\_  
Joseph Regensburger, Member 500 North Avenue LLC  
TENANT:

\_\_\_\_\_  
Date \_\_\_\_\_

By: \_\_\_\_\_  
Gus Curcio Sr.  
President Now Entity Inc.

## **LEASE**

TENANT  
Keeper's Inc.  
354 Woodmont Road  
Milford, CT 06460

LESSOR  
  
500 NORTH AVENUE LLC  
990 NAUGATUCK AVENUE  
MILFORD, CT 06460  
(203) 331-8524

## LEASE

THIS LEASEHOLD AGREEMENT, MADE AND ENTERED INTO this \_\_\_\_day of \_\_\_\_\_, 2017 by and between 500 NORTH AVENUE LLC a Connecticut Limited Liability Company having an address of 33 A Light Street Stratford, CT 06615 (hereinafter referred to as "Lessor"), and KEEPER'S INC. a Connecticut Corporation having an address of 354 Woodmont Road, Milford, Connecticut 06460 (hereinafter referred to as Tenant").

WITNESSETH: that the Lessor hereby lets, leases, and rents unto the Tenant, and the Tenant hereby hires, leases, and takes of the Lessor those premises (hereinafter referred to as "Premises" or "Demised Premises") situated in the City of Bridgeport, County of Fairfield, and State of Connecticut, known 512 North Avenue Bridgeport, CT together with the exclusive right of all driveways and parking areas contained upon the parcel of real estate of which the Premises are a part for the use of Tenant, its agents, employees, and invites upon the following terms, conditions, provisions and covenants:

### TERM

1. The term of this Lease shall be for a period of **20 years and 0 month(s)** commencing on the first day of the month after the Lessor obtains a final order approving its plan of reorganization in its pending chapter 11 bankruptcy proceedings (Case No. 14-31094) in the United States Bankruptcy Court, District of Connecticut and terminating **20 years and 0 months** thereafter; provided, however, in the event that the term of this lease shall otherwise terminate on any day other than the last day of the month, the term of this lease shall be extended so that it shall expire at 11:59 P.M. on the last day of such month.

### RENT

The Tenant shall pay to the Lessor as rent during the term of this Lease an aggregate rental of **One Million Eight Hundred Thousand (\$1,800,000.00)** Dollars, such rent to be payable at Lessor's address for notices as provided in Paragraph 22 herein below, on the first day of each month of the term, in advance, as follows:

- (a) Tenant shall pay to Lessor as rent the sum of **Seven Thousand Five Hundred (\$7,500.00) Dollars per month,**
- (b) In the event that the first month of the tenancy created herein shall be a portion of a month, Tenant shall pay rental for such portion of a month the amount of \_\_\_\_\_N/A\_\_\_\_\_ multiplied by a fraction, the numerator of which shall be the number of days of Tenant's occupancy and the denominator of which shall be the number of days of the month for which fractional rent is being paid.
- (c) Tenant shall pay for all water, gas, electric power and any and all sewage or WPCA charges consumed by it, all license, permit, and inspection fees assessed or charged by reason of its use or occupancy of the Premises, and all taxes and assessments levied on or against its personal property located on said Premises. Tenant shall pay for all fire and extended coverage insurance on the Premises and all real estate taxes and assessments levied and payable thereon during the term hereof.

Lessor may notify Tenant of an increase in the monthly rent to be effective the first month of the renewal period.

### SECURITY DEPOSIT

3. The Tenant shall pay to the Lessor the first and last month's rent. N/A The Tenant shall also provide to the Lessor N/A months' rent as a security deposit.

#### LATE PENALTY

4. In the event the rent is not received by the Lessor with ten (10) days of its due date, the rent shall be deemed late and a 10% late penalty shall be due, together with the specified amount of rent.

#### INSUFFICIENT FUNDS PENALTY

5. If the Tenant pays the rent with a check and said check is returned by the bank because of any reason, then Tenant agrees to pay 10% of the monthly rental as penalty fee, together with the specified amount of rent.

#### USE

6. Tenant will occupy and use the Premises for; An Adult Entertainment Establishment and or any other uses permitted by State or City laws. Tenant will not permit the Premises to be used for any immoral or illegal purpose. Tenant will comply with all applicable Laws, ordinances, rules, and regulations of any constituted public authority relating to its business.

(a) Tenant shall not use or permit the use of any part of the Premises for advertising purposes other than in connection with Tenant's business. Any adjoining premises owned by or under control of the Lessor shall not be rented or used during the term of this Lease for an immoral or illegal purpose obviously detrimental to the interest of Tenant.

#### TENANT'S POSSESSION

7. In the event that the term of this Lease is to be determined by reference to the date Lessor tenders possession of the Premises to the Tenant and the Tenant accepts the same, the parties hereto shall execute in writing, upon the date the premises are tendered for Tenant's possession and Tenant accepts the same, a document in recordable form stating the commencement date and termination date of the term of this Lease and such other information as generally provided in a recorded Notice of Lease..

#### INSTALLATION OF EQUIPMENT

8 Prior to the commencement of the Lease term, Tenant may at its sole risk, but without charge, install equipment, fixtures, or store merchandise on or in the premises. Tenant agrees that during the period of time prior to the commencement the Lease term but after Tenant begins to install equipment, furniture or store merchandises that the provisions of paragraph 11 will be in full force and effect.

#### ALTERATIONS

9. Tenant, at its expense, will, in good and workmanlike manner, make additions or alterations to the Inside and outside of the Premises as it deems necessary in the conduct and fit up for its business without, however, materially reducing the value of such Premises. Additions or alterations made by the Tenant, except as hereinafter provided, shall, unless otherwise agreed to in writing, become the property of the Lessor at the termination of this Lease.

9a. No change or alteration shall at any time be made which shall impair the structural soundness or diminish the value of the building in which the Premises are located.

9b. No changes or alterations shall be undertaken until Tenant shall have procured and paid for all required municipal and other governmental permits and authorizations of the various municipal departments and the governmental subdivisions having jurisdiction

#### LESSOR CONSENT

10. Paragraph (9, 9a, 9b) may not be exercised without the express written consent of the Lessor.

#### REMOVAL OF EQUIPMENT

11. Tenant upon the termination of this Lease shall have the right to remove from the Premises its removable partitions, shelving, removable fixtures, trade fixtures, equipment, furniture, and personal property but shall restore the Premises by reason of such removal to its original state.

12 These terms and conditions are binding and if Lessor takes legal action due to Tenants failure to comply, Tenant agrees to pay, in addition to all rent and other charges due the Lessor, all court costs, expenses, and reasonable attorney's fees.

13. The Lessor assumes no liability or responsibility whatsoever in respect to the conduct and operation of the business to be conducted in said Demised Premises by the Tenant, nor for any accident or injury happening or occurring in or about said Demised Premises which was not caused by or as a result of Lessor's gross negligence or willful act. Any liability or responsibility for any accident or injury happening or occurring in or about said Demised Premises which is not the result of the Lessor's gross negligence or willful act shall be the responsibility of the Tenant and Tenant hereby agrees to assume responsibility therefor and save Lessor harmless therefrom.

#### FAILURE TO MAINTAIN

14. In the event Tenant fails to perform any item of repair which Tenant is required to make hereunder the Lessor may, after giving five (5) days written notice to the Tenant, make such repair and bill the Tenant therefore and the Tenant shall pay for the cost of such repair together with the next monthly rental payment. In the event of the need for emergency repairs, the Lessor need not provide any notice to Tenant and may immediately enter upon the premises to make the needed repairs.

#### FIRE DAMAGE (LOSS OF USE)

15. If all or any part of the Premises is damaged or destroyed by fire or other casualty insured under the fire insurance policy with extended coverage endorsement applicable to the Premises, the Lessor shall at its sole expense repair and rebuild the Premises within one hundred eighty (180) days of the date of the casualty. If it is determined that the damage has rendered the Premises untenable, in whole or in part, for Tenant's normal business use, there shall be an abatement of the rent and all other charges hereunder until the premises are repaired and the said Premises are rendered tenable for Tenant's normal business use. Such abatement shall be determined by Lessor on the basis of the percentage of Tenant's normal business use and activity limited by the damage. If the Lessor is unable to repair and/or rebuild the Premises within one hundred eighty (180) days of the date of the casualty, Lessor may at any time after one hundred eighty (180) days, at its option, terminate this Lease and be relieved of all further obligations hereunder.

#### CONDEMNATION

16. If the Premises or the parking area (even if Tenant's rights thereto are non-exclusive) or such part thereof as would render the remainder unsuitable for Tenant's use, be appropriated or condemned by public authority, be taken by proceedings in eminent domain or notice thereof be served, or if by reason of any law or ordinance the use of the Premises for the purpose of this Lease shall be unlawful, Tenant may at its option terminate this Lease upon thirty (30) days written notice to Lessor, and rent shall be paid only to the time when Tenant surrenders possession of the Premises. If only a part of the Premises are so taken, Tenant may elect to continue in possession of the remainder and in such case the rent payable hereunder shall be reduced proportionally. Any rent paid in advance shall be returned by Lessor to Tenant on demand. Lessor will, on written notice for the benefit of Tenant but at Tenant's expense, include in its claim against the taking authority such sum as Tenant certifies to Lessor as damages resulting from Tenant's loss of occupancy or relocation expense.

#### ASSIGNMENT AND SUBLETTING

17. Tenant may assign or sublet the Premises to a person, corporation or other legal entity for any lawful purpose not more hazardous than the uses herein specified, provided, however, that any such assignment or sublease shall at no time relieve Tenant of the obligations imposed upon it by the terms of this Lease. It is agreed that in the event that Tenant proposes to assign this Lease or sublet the Premises to a person, corporation or other legal entity, Tenant will not assign or sublet without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. In connection with such an assignment or sublet, it is agreed that the Lessor will respond in writing to any request by the Tenant within thirty (30)

days of the request. The failure to respond in writing within the thirty (30) day period shall be deemed a grant of consent. In addition, if Lessor proposes to withhold its consent, it shall state the reasons therefor within its written response.

#### ESTOPPEL

18. Each party agrees at any time and from time to time at the request of the other and upon not less than ten (10) days and not more than twenty (20) days prior advance notice to execute, acknowledge and deliver to the other a statement in writing certifying that the Lease is unmodified and, if such is the fact, in full force and effect, and if such is the fact, that there are no known defaults thereunder or, if there are, specifying the same and any offsets, counterclaims, or defenses being claimed and dates to which the rent and other charges have been paid. It is intended that any such statement delivered pursuant to this section may be relied upon by any prospective purchaser or acquirer of either party hereto or any prospective lender to either party hereto or by any other properly interested party.

The execution, acknowledgment and delivery of any such statement shall not, however, affect any claim or right of action of the party executing, acknowledging or delivering the same as against the other party hereto.

#### LESSOR'S INSPECTION

19. Lessor shall have the right to enter the Premises during Tenant's normal business hours to inspect and make repairs. Lessor agrees not to exercise this right in such a way as to unreasonably interfere with Tenant's business.

#### DEFAULT OF TENANT

20. If Tenant defaults in the payment of rent, and such default continues for a period of ten (10) days after Lessor notifies thereof, or defaults in the performance of any other condition or covenant of this Lease, and such default continues for thirty (30) days after written notice, Lessor shall have the right to institute legal proceedings to re-enter said Premises and remove Tenant and all other persons therefrom and shall have the option of canceling this Lease. Provided, Tenant shall not, however, be held in default if its failure to pay rent on the date due or otherwise perform in accordance with the terms hereof results from riots, civil commotion, governmental intervention, act of God or any other act or event beyond its reasonable control, but nothing herein shall relieve Tenant from thereafter paying all past due rent as soon as it is reasonably possible under the circumstances. Provided, further, if the Tenant is in default in the performance of any condition or covenant of this Lease other than the covenant to pay rent and if such default is of such nature that it cannot be cured within thirty (30) days if the Tenant commenced curing such default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to remedy such default Lessor shall not be entitled to cancel this Lease or otherwise avail itself of any right or remedy at law for the cancellation of this Lease.

(a) If the Tenant shall be dispossessed for non-payment of rent, or if the leased premises shall be deserted or vacated, the Lessor or its agents shall have the right to and may enter the said premises as the agent of the Tenant, either by force or otherwise, without being liable for any prosecution or damages therefore, and may relet the premises as the agent of the Tenant, and receive the rent therefore, upon such terms as shall be satisfactory to the Lessor, and all rights of the Tenant to repossess the premises under the Lease shall be forfeited. Such re-entry by the Lessor shall not operate to release the Tenant from any rent to be paid or covenants to be performed hereunder during the full term of this lease.

(b) It is agreed that notwithstanding any other provision of this Lease, Tenant shall not be evicted unless Tenant has failed to pay rent for a period of more than ninety (90) consecutive days.

#### HOLDING OVER

21. If at the expiration of this Lease Tenant should hold over for any reason whatever, it is hereby agreed that in absence of a written agreement to the contrary, such tenancy shall be from month to month only, and under the same conditions at one and one-half times the monthly rental as provided for herein.

#### NOTICES

22. All notices required or agreed to be given hereunder by either party shall be in writing and sent postage prepaid, certified or registered mail, return receipt requested to the addresses provided as follows:

TO LESSOR: 500 NORTH AVENUE LLC  
990 NAUGATUCK AVENUE  
MILFORD, CT 06460

TO TENANT: KEEPER'S INC.  
354 WOODMONT ROAD  
MILFORD, CT 06460

Either party may by notice change their address as provided hereinabove.

#### WAIVER

23 No waiver of any of the terms, conditions, provisions or covenants of this Lease or a breach of the same shall constitute a waiver of any other covenant or the continued breach of said covenants.

#### COVENANT OF QUIET ENJOYMENT

24. Lessor represents that it is the owner or authorized agent for the owner of the Premises, has the right to lease the same, and at Tenant's request will submit proof thereof. If Tenant performs all the covenants herein agreed to be performed by it, Lessor, its heirs, executors, administrators, mortgagees, successors or assigns, shall warrant and defend Tenant in the quiet enjoyment and peaceful possession of said Premises during the Lease Term.

#### USE OF COMMON AREAS

25. If the Premises are a part of the parcel of real estate owned by Lessor, it is agreed as follows:

(a) Tenant shall keep its share of the driveway, parking area and sidewalks free from debris, ice, and snow.

(b) Lessor shall promulgate and enforce reasonable rules and regulations so that the conduct by the other tenants of Lessor and their invitees and employees shall not create or tend to create an objectionable nuisance or other objectionable interference with the business use of Tenant's Premises.

#### ENTIRE AGREEMENT

26. This agreement contains the entire understanding between the parties with respect to the Premises and may not be varied, altered or changed except by an instrument in writing executed by the parties hereto.

#### CONSTRAINTS

27. This agreement shall bind and inure to the benefit of the parties hereto and to their respective heirs, executor's administrators, successors and assigns.

#### INVALID OR UNENFORCEABLE PROVISIONS

28. In the event that any provision of this Lease shall be determined to be invalid or unenforceable, such finding shall not effect the validity of this Lease or any other term, condition or covenant hereof.

#### OPTIONS

29. Tenant shall have the option to renew this Lease for one (1) additional period of ten (20) years, provided Tenant shall not have been in default of any of the provisions of this Lease during the term hereof, by notifying the Lessor, in writing, certified mail return receipt requested of his intent to exercise such option no less than Two (2) months before the termination date of this Lease,

(a) Lessor and Tenant shall negotiate in good faith to establish the annual rent to be paid by the Tenant to the Lessor for such option. If the Lessor and Tenant cannot agree upon a rental figure, such rental figure shall be established through arbitration. The Lessor and Tenant shall each select one representative for each of them for the Arbitration Panel and the representative so chosen shall select a third person who shall be Chairman of the Arbitration Panel. The Chairman of the Arbitration Panel shall be a licensed Realtor with offices within a 15-mile radius of the premises being leased and whose business is the leasing of commercial real estate.

(b) The decision of a majority of such Arbitration Panel shall be binding upon the Lessor and Tenant with respect to the rent determined by such panel. If the decision of the Panel is rendered after the option period has commenced, such rental shall be retroactive to the commencement date of the option period.

#### BROKERS COMMISSION

30. Lessor hereby recognizes that \_\_\_\_\_ N/A \_\_\_\_\_

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were the agents who procured this Lease. Lessor's obligation to the agents for their services shall be as provided in a separate agreement executed between Lessor and the agents. Lessor agrees to indemnify and hold Tenant harmless for any and all claims brought by the agents or any party claiming a commission for the leasing of the Demised Premises pursuant to this Lease.

#### CAPTIONS AND SECTIONS

31. The captions, paragraph numbers, and index appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such paragraph of this Lease nor in any way affect this Lease.

#### FAILURE TO EXERCISE

32. Failure to exercise any option or to resort to any remedies provided herein or permitted by law, in the event of any default, shall not constitute a waiver of the right to exercise the same in the event of any future default.

#### LAWS

33. You will comply with all laws and regulations regarding the premises. You will also not permit any others to violate any laws or regulations while in the premises or on the property. You agree to pay us any and all amounts, which we may pay as fines or penalties as a result of you or others violating any law or regulation.

#### SALE OF PROPERTY:

34. In the event the property is sold prior to the termination date of this Lease, the buyer of the property may not terminate this Lease without the written consent of the Tenant.

#### TERMINATION OF LEASE

35. In the event that for any reason the Tenant files either personal or corporate bankruptcy, it is agreed that the Tenant will release the Lessor from any and all obligations under the terms and conditions of this Lease and surrender the premises immediately.

36. Attached is a list of personal property owned by the Lessor and part of the leased premises. All equipment and furniture is in good working condition and it is the Tenants responsibility to maintain it in good working order or to replace it as necessary.

#### SUBORDINATION

37. This lease is subject and subordinate to all mortgages which may now or hereafter affect the real property of which Premises form a part, and to all renewals, modifications, consolidation, replacements and extensions thereof. This clause shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, Tenant shall execute promptly any certificate the Lessor

may request, and Tenant hereby constitutes and appoints Lessor the Tenant's attorney-in-fact to execute any such certificate or certificates for and on behalf of Tenant.

#### OPTION TO PURCHASE

38. Tenant shall have the option to purchase the property at any time during this Lease provided Tenant shall not have been in default of any of the provisions of this Lease during the term hereof, by notifying the Lessor, in writing, by certified mail return receipt requested of his intent to exercise such option.

Together with such written notice to exercise its option to purchase, the Tenant shall give the Lessor a non-refundable deposit, to be credited towards the purchase price, in the amount of \$7,000.00. Upon such delivery of its notice to exercise and payment of the deposit, this Agreement shall constitute the contract of purchase and sale between the Tenant and Lessor and the purchase and sale transaction shall proceed as provided hereinafter.

(a) Lessor and Tenant shall negotiate in good faith to establish the sale price to be paid by the Tenant to the Lessor for the property. If the Lessor and Tenant cannot agree upon a sales price, such sale price shall be established as follows. The Lessor and Tenant shall each select one licensed commercial real estate appraiser for each of them and the two appraisers so chosen shall select a third licensed commercial real estate appraiser. In the event the two appraisers cannot agree on the third, they shall take the names of the first five licensed commercial real estate appraisers from the Bridgeport CT yellow pages, the name shall be written on pieces of paper and placed in a receptacle. A neutral 3<sup>rd</sup> party shall be selected by the appraisers to draw the name of the appraiser who shall serve as the third licensed commercial real estate appraiser.

(b) If the three appraisers cannot agree upon a valuation, each appraiser shall place his value in writing and the three appraisals shall be added and divided by three to reach the sales price for this transaction. The closing must take place within thirty (30) days after the valuation is made by the three appraisers, as aforesaid. The Closing date may be extended upon mutual consent of the Lessor and Tenant

- (c) There is no mortgage contingency. In the event the Tenant does not purchase the property for any reason, other than a default by the Lessor, all sums paid shall be forfeited and shall be retained by the Lessor.
- (d) The property will be sold in its present condition, AS IS, with no warranties and representations of any kind, except for warranties of title, as provided below.
- (e) Marketable title will be given by warranty deed. The Tenant shall perform its own title search at its sole expense. The "Standards of Title" as published by the Connecticut Bar Association shall control any questions relating to defects of title under this section.
- (f) At time of closing, rents, security deposits, real estate taxes, sewer service, sidewalk or other municipal liens or assessments, if any, are to be adjusted and apportioned in accordance with the standard of practice assumed by the Bar Association in the locale.
- (g) In addition to the aforementioned deed the Lessor shall at time of closing deliver to the Tenant the necessary amount for the local and Connecticut real estate conveyance taxes.
- (h) The risk of loss or damage to any buildings and other improvements on the premises by fire or other cause prior to the closing is assumed by the Lessor. The Lessor shall maintain until the closing all existing insurance on such buildings and improvements.
- (i) The parties represent unto each other that NO BROKER is entitled to claim a commission for this transaction. The Tenant agrees to hold the Lessor harmless from any claims made by any real estate brokers concerning commissions for the option of the premises including the reasonable cost of defending any such claims.
- (j) Except if an appraisal is required as provided above, the closing shall take place within 30 days of the notice of exercise, or at such other earlier date as may be subsequently agreed upon by the parties. The closing will be held in the law office of Lessor's counsel
- (k) The right to purchase the property shall not be assigned by Tenant without the prior written consent of the Lessor.

- l). The delivery and acceptance of the deed herein described shall be deemed to constitute full compliance with all the terms, conditions, covenants and representations contained herein, or connected with this transaction except as may expressly survive the closing of title.
- m). This Contract shall be construed, interpreted, governed and enforced in accordance with the laws of the State of Connecticut.

IN THE WITNESS WHEREOF,

Lessor has on the day and year first herein above set forth, and intending that this Lease be a sealed instrument, executed this Lease under seal; caused this lease to

be signed \_\_\_\_\_ by \_\_\_\_\_ attested

by \_\_\_\_\_

\_\_\_\_\_ and Tenant has,  
on the day and year first herein above set forth, and intending that this Lease be a sealed instrument, caused this Lease to be  
signed \_\_\_\_\_

ATTEST:

LESSOR:

\_\_\_\_\_

By: \_\_\_\_\_  
Joseph Regensburger, Member 500 North Avenue LLC

ATTEST:

TENANT:

\_\_\_\_\_

By: \_\_\_\_\_  
Julia Kish. President Keeper's Inc.

Date \_\_\_\_\_

# EXHIBIT E

**I. Income**

**a. Rental Income**

Property	Tenant rents	Estimated tenant payments for insurance, taxes, and utilities
512 North	7,500.00	4,500.00
1794 Barnum	11,800.00	2,000.00
10 Fifth Avenue	1,500.00	1,000.00
<b>Total per month</b>	<b>\$20,800.00</b>	<b>\$7,500.00</b>

**b. Receivable Collections and Purchase Option Payment**

Red Rose, Inc.	6,000.00
Other Receivables	7,200.00
Keeper's Inc.	5,000.00
<b>Total per month</b>	<b>\$ 18,200.00</b>

**II. Expenses**

**a. Monthly Plan Payments and Operating Expenses**

Property	Plan Payments to Secured Claimholders	Real Estate Taxes (current and arrearage) and Projected Maintenance Costs	Estimated Insurance Costs
512 North	3,500.00	3,500.00	1,000.00
	1,000.00		
1794 Barnum	1,000.00	1,500.00	500.00
	1,000.00		
10 Fifth Avenue	1,000.00	800.00	200.00
795 James Farm	2,500.00	14,000.00	200.00
<b>Total per month</b>	<b>\$10,000.00</b>	<b>\$19,800.00</b>	<b>\$1,900.00</b>

**b. Estimated Effective Date Payments**

Priority Claims	(5,996.73)
Bridgeport WPCA – Class 1	(6,000.00)
City of Bridgeport – Class 2	(94,257.30)
MTAG Services – Class 3	(110,067.18)
Tower Lien – Class 4	(78,524.39)
Town of Stratford – Class 6	(5,653.12)
State Tax Collection Agency – Class 7	(18,324.72)
Colacurcio – Class 15	(36,000.00)
Unsecured Creditors – Class 16	(25,000.00)
Red Rose, Inc.	40,000.00
Gus Curcio, Sr.	300,000.00
Joseph Regensburger – capital investment	35,000.00
Estimated cash upon Effective Date	25,000.00
<b>Estimated cash remaining</b>	<b>\$ 20,176.56</b>

**c. Estimated (i) Unsecured and Administrative Claims; (ii) Excess Monthly Cashflow**

Claims	Amount
Administrative Claims (estimated)	(\$100,000)
Unsecured claims ( <i>per annum</i> )	(\$50,000 - \$100,000)
	<b>\$150,000-\$200,000</b>
Estimated monthly cash flow (monthly income after payment of Plan payments and operating expenses)	\$14,800.00 per month \$177,600.00 per year

**III. Summary**

**a. Projected Monthly Income**

i. Rental property revenue (\$20,800.00 & \$7,500.00)	\$ 28,300.00
ii. Receivable collections and purchase option payment	\$ 18,200.00
<b>Total projected monthly income</b>	<b>\$ 46,500.00</b>

**b. Projected Monthly Expenses**

i. Plan Payments	\$ 10,000.00
ii. Tax and Maintenance Costs	\$ 19,800.00
iii. Insurance Costs	\$ 1,900.00
<b>Total projected monthly expenses</b>	<b>\$ 31,700.00</b>

# EXHIBIT F

500 North Avenue, LLC

	2014	2015	2016	2017 thru Jan	cumulative
income	140,207.33	313,429.31	183,167.92	2,875.00	639,679.56
refund			-800.00		-800.00
total	140,207.33	313,429.31	182,367.92	2,875.00	638,879.56
					0.00
advertising	85.88	3,144.63			3,230.51
auto & truck		30.00			30.00
insurance	10,720.00	2,090.00			12,810.00
office	1,141.36	5,155.32	4,779.24		11,075.92
repairs & maint	8,124.61	21,499.75	11,733.59	604.06	41,962.01
salaries/comm/fees	8,383.22	6,202.50	4,352.60		18,938.32
supplies	178.00	797.82	34.87		1,010.69
taxes real estate	9,260.93	70,980.62	189,725.86	30,078.60	300,046.01
taxes other- annual reports				120.00	120.00
utilities	11,537.91	22,692.64	4,810.65	118.90	39,160.10
other	160.00	5,295.53	6,003.91		11,459.44
total oper	49,591.91	137,888.81	221,440.72	30,921.56	439,843.00
net profit/loss	90,615.42	175,540.50	-39,072.80	-28,046.56	199,036.56
other income l/r gc	27,733.73	2,575.15	73,000.00	44,000.00	147,308.88
Joe Regensburger- capital contribution	1,793.77	37,000.00			38,793.77
interest expense- colacur's		6,800.00	11,900.00		18,700.00
other exp m moutinho 1794	2,850.00	6,270.00	7,980.00		17,100.00
other exp m moutinho 1794-2	4,650.00	10,230.00	13,020.00		27,900.00
other exp m moutinho 314	11,400.00	25,080.00	31,920.00		68,400.00
other exp m moutinho 5th ave	4,950.00	10,830.00	13,860.00		29,640.00
other exp m moutinho 500/512 north	6,374.99	42,000.00	49,000.00		97,374.99
other exp m moutinho 2060	6,880.00	1,500.00			8,380.00
other exp renovations 1794	11,813.88	2,523.08	30,183.42		44,520.38
profit/loss before reorg	71,224.05	109,882.57	-123,936.22	15,953.44	73,123.84
Prof fees	185.00	1,445.00	2,060.00		3,690.00
US trustee	650.00	4,288.77	2,600.37	649.63	8,188.77
Net profit/loss	70,389.05	104,148.80	-128,596.59	15,303.81	61,245.07

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT  
NEW HAVEN DIVISION**

_____	x	
	:	
In re:	:	CHAPTER 11
	:	
500 NORTH AVENUE, LLC	:	CASE NO. 14-31094 (AMN)
	:	
Debtor.	:	
_____	x	

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on March 31, 2017, the foregoing Sixth Amended Disclosure Statement was electronically filed. Notice of this filing was sent by e-mail to all parties by operation of the Court's electronic filing system or by mail to anyone unable to accept electronic filing. Parties may access this filing through the Court's system.

Dated: March 31, 2017  
New Haven, Connecticut

THE DEBTOR,  
500 NORTH AVENUE, LLC

By: /s/Douglas S. Skalka  
Douglas S. Skalka (ct00616)  
NEUBERT, PEPE & MONTEITH, P.C.  
195 Church Street  
New Haven, CT 06510  
(203) 821-2000  
dskalka@npmlaw.com

Service List

**Electronic Mail Notice List**

- Mark L. Bergamo mbergamo@marcuslawfirm.com
- Michael S. Casey msc@thejacksonlawgroup.com
- Juda J. Epstein contact@lawofficesjje.com
- Robert E. Kaelin rkaelin@murthalaw.com
- James M. Nugent jmn@quidproquo.com, talba@harlowadamsfriedman.com
- Frank Sacramone frank@sacramonelaw.com
- U. S. Trustee USTPRegion02.NH.ECF@USDOJ.GOV
- James R. Winkel jrw@quidproquo.com, talba@haflaw.com
- Matthew B. Woods mca@ci.milford.ct.us

**Manual Notice List**

Holley L. Claiborn  
Steven E. Mackey  
Office of The United States Trustee  
The Giaimo Federal Building  
150 Court Street, Room 302  
New Haven, CT 06510

Denali LLC  
Attn: President or General Manager  
488 Shelton Avenue  
Shelton, CT 06484

Jonathan J. Klein  
1445 Capitol Avenue  
Bridgeport, CT 06606

Pellegrino Law Firm  
Attn: President or General Manager  
475 Whitney Avenue  
New Haven, CT 06510

Silver & Silver LLP  
Attn: President or General Manager  
One Liberty Square  
New Britain, CT 06810

Yellow Rose, Inc.  
Attn: President or General Manager  
P.O. Box 524  
Stratford, CT 06615