

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

| | | |
|-------------------------|---|-------------------------|
| | x | |
| | : | |
| In re: | : | CHAPTER 11 |
| | : | |
| LONG BROOK STATION, LLC | : | CASE NO. 14-31095 (AMN) |
| | : | |
| Debtor. | : | |
| | x | |

NINTH AMENDED JOINT DISCLOSURE STATEMENT

On June 6, 2014 (the “Petition Date”), Long Brook Station, LLC (the “Company”), 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 and Joseph Regensburger, (“Regensburger” and, jointly, the “Plan Proponents”) its principal, have filed, together with this Ninth Amended Disclosure Statement, their proposed Ninth Amended Plan of Reorganization (the “Plan”). Pursuant to Section 1125 of the Code, the Company and Regensburger have prepared and filed this 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**

Long Brook Station, LLC was organized on February 27, 2014 for the purpose of developing certain real property consisting of a lot located at 3044 Main Street in Stratford, Connecticut (the "Property"). The Property was conveyed to the Company on May 15, 2014 by 3044 Main, LLC. At the time of the conveyance to the Company, the Property was the subject of a foreclosure judgment issued by the Connecticut Superior Court, Judicial District of Waterbury in favor of Manuel Moutinho, Trustee (the "Trustee"). The Company took title to the Property with the intent to obtain zoning approval for development of the Property to maximize its value. The Property had included an abandoned residence. In order to maximize the value of the Property and prepare it for future development, the Debtor demolished the existing structure and paved the Property to make it appropriate for parking.

There is a first mortgage covering the Property, held by the Trustee for Mark IV Construction Co. Inc., which mortgage secures the original principal amount of \$500,000 (the "Moutinho Mortgage"). The Moutinho Mortgage is behind (i) real estate tax liens held by the State Tax Collection Agency, LLC ("STCA") amounting, in the aggregate, to approximately

\$27,164.60 through March 17, 2017 and (ii) sewer use and real estate tax liens held by the Town of Stratford. Prior to the Petition Date, the Company merged with D.A. D. Associates, LLC., another Connecticut entity owned by Regensburger, assuming all the assets and liabilities of D.A.D. Associates, LLC by operation of the merger. One of the assets is an account owed to the Debtor by Yellow Rose, Inc. (“Yellow Rose”). The Company filed its petition for Chapter 11 relief to enable the Company to restructure its debt, obtain the necessary zoning approval to continue the development of the Property, and create the most value for it and its creditors.

II. EVENTS SINCE THE PETITION DATE

After the Petition Date, the Trustee filed a motion for relief from stay or for payment of adequate protection. In response to the motion, the Company and the Trustee reached an agreement, which has been entered as an order of the Court, under which the Company agreed to pay the Trustee \$3,750 per month as adequate protection, maintain insurance on the Property, and make monthly payments regarding the Company’s ongoing tax obligations. As of August 17, 2017, the Company has made thirty-seven (37) monthly adequate protection payments totaling \$138,750 to the Trustee as required by the order.

By motion dated October 17, 2014, the Company sought an order from the Court to determine the secured status of the liens on the Property. By order dated April 13, 2015, the Court, pursuant to Section 506(a) of the Bankruptcy Code, disallowed the liens on the Property as of the Petition Date other than the STCA and the Town of Stratford tax liens and the Moutinho Mortgage. Subsequent to entry of the Section 506(a) order, the Company obtained Zoning Approval for the Property and initiated marketing of the Property for sale. The purchase price negotiated for the Property and set forth in the D&M Purchase Agreement renders the second mortgage partially secured.

The Court established October 6, 2014 as the last date upon which creditors could file timely claims against the Company. Seventeen claims were filed by creditors on or before October 6, 2014 including a claim by the Trustee in the amount of \$647,961.91.

The Company listed some claims as disputed, unliquidated, or contingent (the “Disputed Claims”) on its bankruptcy schedules filed on July 29, 2016. The Court issued a Notice of Disputed, Contingent, or Unliquidated Claim and Notice of Deadline for Filing Proof of Claim which was mailed to all holders of Disputed Claims on May 9, 2016 advising these claim holders, *inter alia*, that they may not receive any distribution pursuant to the Plan if they fail to file a proof of claim on or before June 30, 2016.

On January 23, 2017, the Company filed a Motion to Approve Compromise seeking a court order approving a proposed settlement of the Company’s tax appeal of the October 1, 2015 tax assessment from the Town of Stratford. By order dated February 22, 2017 the Company’s proposed settlement was approved. As a result, many of the existing tax liens and claims of the Town of Stratford were satisfied from the tax reductions and tax credits associated with the reduced tax assessment. The Debtor filed an objection to the STCA claim dated January 30, 2017, in which the Debtor asserts that the December 28, 2016 payoff statement in the amount of \$40,617.59 provided to the Debtor by STCA is inaccurate. In response to the Debtor’s Objection, STCA provided the Debtor with a revised payoff statement as of March 17, 2017 in the amount of \$27,164.40. By order dated April 20, 2017, the Court approved a stipulation between the Company and STCA which allows the STCA claim in the amount of \$27,164.40.

On April 26, 2017, the Company filed a Motion to Approve Compromise seeking a court order approving a proposed settlement of obligations owed to it by Yellow Rose which motion is scheduled for hearing on September 6, 2017. The Debtor claims that Yellow Rose was indebted

to the Debtor in the amount of \$792,000 by virtue of pre-petition advances to Yellow Rose or its predecessor entities. The advances are not evidenced by a promissory note. Yellow Rose has been making payments to the Debtor on account of the debt and since the Petition Date through March 17, 2017, has paid \$117,227 to the Debtor. Yellow Rose, a Connecticut corporation founded in 2010, is a management business owned by Jose Antonio Pires of Bridgeport, Connecticut. Yellow Rose has provided the Debtor with financial information which reflect an inability to satisfy the entire amount of the Company's claim. The proposed settlement provides that Yellow Rose shall pay the Company \$225,000 plus interest in monthly payments of \$5,437.50 for forty-eight (48) months in satisfaction of the Company's claim. In addition, Yellow Rose shall grant the Company a lien on its assets as collateral for its obligation to pay the Company under the settlement

Since the Petition Date, the Company has continued its efforts to develop the Property. As noted in Section V herein, these efforts have resulted in a short term lease for the Property at \$3,000 per month and zoning approval from the Town of Stratford for the development of thirty-nine (39) market rate and affordable housing units on the Property. By order dated February 22, 2017, the Court approved the Company's retention of DeLibro Realty to serve as its real estate broker to market the Property for sale. After extensive marketing, the Company reached agreed with a potential purchaser resulting in the Agreement of Purchase and Sale by and between the Company and Nelson DaSilva and Rafael Marin (jointly, the "Potential Purchaser") for a sale of the Property subject to Court approval (the "D&M Purchase Agreement"). A draft of the D&M Purchase Agreement has been attached hereto as Exhibit B. The terms of the D&M Purchase Agreement provide for a purchase price of \$825,000 and the closing is subject to a six month extension of the Zoning Approval, as defined herein, and Proposed Purchaser's sale of a parcel of real property. There are no other financing contingencies and the sale is on an "as is" basis. The

proposed sale is to be free and clear of liens, encumbrances and interests, which shall attach to the proceeds of the sale. The proposed sale will be pursuant to Section 1146 of the Bankruptcy Code. A fully executed copy of the D&M Purchase Agreement shall be filed prior to a hearing on the Disclosure Statement.

The Debtor will publish a Notice of Sale, identifying the property being sold and the proposed purchase price and a deadline for the submission of bids in the Connecticut Post at least three (3) weeks prior to any hearing on Confirmation of the Plan in addition to having its broker, DeLibro Realty Group, advise all parties that have shown an interest in the Property of the Notice of Sale. Upon request, a copy of the D&M Purchase Agreement will be made available to interested parties. The deadline for the submission of bids shall be 4:00 p.m. local time the day before the hearing on confirmation of the Plan (the "Bid Deadline"). To be a qualified bid, the bidder must submit to counsel for the Debtor on or before the Bid Deadline, a copy of the D&M Purchase Agreement marked as appropriate together with a deposit in the amount of \$85,000.00 (the "Bid Deposit"). The Bid Deposit shall be held by counsel for the Debtor until the higher and best offer is determined by the Debtor at which time Bid Deposits received by non-successful bidders shall be promptly returned. In the event the Debtor determines that a bid received by the Bid Deadline with a Bid Deposit is the highest and best offer for the Property, that bidder will be the successful bidder (the "Successful Bidder") and Debtor will terminate the D&M Purchase Agreement. The Debtor shall then execute a purchase agreement with the Successful Bidder and proceed to confirmation of the Plan (the "Purchase Agreement").

III. PRE-PETITION DEBT

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

A. Secured Claims

1. 3044 Main Street, Stratford

a. State Tax Collection Agency for the tax liens assigned to it by the Town of Stratford as follows:

i. Real Estate Tax Lien for the list of October 1, 2007 by the Town of Stratford in the principal amount of \$3,552.74, dated and recorded April 7, 2009 in Volume 3271, Page 18, as assigned to STCA via instrument dated November 30, 2011 and recorded December 1, 2011 in Volume 3527, Page 326, all of the Stratford Land Records;

ii. Real Estate Tax Lien for the list of October 1, 2008 by the Town of Stratford in the principal amount of \$4,522.44, dated and recorded April 7, 2010 in Volume 3371, Page 183, as assigned to STCA via instrument dated November 30, 2011 and recorded December 1, 2011 in Volume 3527, Page 326, all of the Stratford Land Records;

iii. Real Estate Tax Lien for the list of October 1, 2009 by the Town of Stratford in the principal amount of \$4,102.70, dated and recorded April 27, 2011 in Volume 3473, Page 171, as assigned to STCA via instrument dated November 30, 2011 and recorded December 1, 2011 in Volume 3527, Page 326, all of the Stratford Land Records;

iv. Real Estate Tax Lien for the list of October 1, 2010 by the Town of Stratford in the principal amount of \$2,102.45, dated and recorded June 8, 2012 in Volume 3583, Page 1, as assigned to STCA via instrument dated July, 2012 and recorded September 27, 2012 in Volume 3617, Page 212, all of the Stratford Land Records (collectively, the “Assigned Tax Liens”).

By order dated April 20, 2017, the Court has allowed the STCA claim at \$27,164.60 as of March 17, 2017.

b. The Town of Stratford for real estate taxes, in the aggregate approximate amount of \$12,895.51 including principal, interest and fees, consisting of:

i. A real estate tax lien in the principal amount of \$4,245.52 for the 2011 Grand List, which lien was dated and recorded on May 21, 2013 at Volume 3694, Page 2 of the Stratford Land Records.

ii. A real estate tax lien in the principal amount of \$4,265.22 for the 2012 Grand List;

c. The Town of Stratford for sewer use liens on the Property in the aggregate approximate amount of \$4,866.72, as follows:

i. Sewer use lien for the 2007 list in the amount of \$250.00, which lien was dated and recorded on April 7, 2009 at Volume 3271, Page 39 of the Stratford Land Records;

ii. Sewer use lien for the 2008 list in the amount of \$500.00, which lien was dated and recorded on April 7, 2010 at Volume 3371, Page 222 of the Stratford Land Records;

iii. Sewer use lien for the 2009 list in the amount of \$560.00, which lien was dated and recorded on April 27, 2011 at Volume 3473, Page 210 of the Stratford Land Records;

iv. Sewer use liens for the 2010 list in the amount of \$560.00, which lien was dated and recorded on June 8, 2012 at Volume 3583, Page 60 of the Stratford Land Records;

v. Sewer use liens for the 2011 list in the amount of \$750.00, which lien was dated and recorded on May 21, 2013 at Volume 3694, Page 59 of the Stratford Land Records.

d. The Trustee for a first mortgage on the Property in the original principal amount of \$500,000. By proof of claim dated August 19, 2014, the Trustee asserted a claim in the amount of \$647,961.91;

e. IP Media Products, LLC for a second mortgage securing the original principal amount of \$300,000 by virtue of Assignment of Mortgage from Landbank Investments, LLC to Dean Moccia dated April 6, 2014 and recorded in the Town of Stratford Land Records on May 14, 2014. By proof of claim dated October 6, 2014, (Claim 4-1) Dean Moccia asserted a secured claim in the amount of \$385,000. By transfer of claim dated December 27, 2016, Dean Moccia transferred the claim to IP Media Products, LLC;

f. Ebay Wanted, Inc. for a mortgage securing the original principal amount of \$5,000 and held by Rio, Inc. By merger dated August 6, 2015, Rio, Inc. merged into Ebay Wanted, Inc. On October 6, 2014, Rio, Inc. filed a proof of claim in the amount of \$8,687.50 (Claim No. 5-1) Gus Curcio, Sr., the manager of the Debtor, is the President and Director of Ebay Wanted, Inc. ;

g. Ebay Wanted, Inc. for a mortgage securing the original principal amount of \$5,000 and held by 1794 Barnum Avenue, Inc. By merger dated August 6, 2015, 1794 Barnum Avenue, Inc. merged into Ebay Wanted, Inc. Gus Curcio, Sr., the manager of the Debtor, is the President and Director of Ebay Wanted, Inc.

h. Ebay Wanted, Inc. for a mortgage securing the original principal amount of \$5,000 and held by Oronoque 15, LLC. By merger dated August 6, 2015, Oronoque 15, LLC merged into Ebay Wanted, Inc. On October 6, 2014, Oronoque 15, LLC filed a proof of claim in the amount of \$8,687.50 (Claim No. 13-1) Gus Curcio, Sr., the manager of the Debtor, is the President and Director of Ebay Wanted, Inc.;

i. Albina Pires for a mortgage securing the original principal amount of \$1,500;

j. Gus Curcio, Jr. for a mortgage securing the original principal amount of \$1,000;

k. Robin Cummings for an mortgage securing the original principal amount of \$800. On April 6, 2017, Mr. Cummings filed a voluntary petition for relief pursuant to Chapter 7 of the Bankruptcy Code in a case pending in this Court as Case No. 17-30491;

l. Joseph Regensburger for a mortgage securing the original principal amount of \$5,000;

m. Ebay Wanted, Inc. for a mortgage securing the original principal amount of \$1,000 and held by Cell Phone Club, Inc. By merger dated August 6, 2015, Cell Phone Club, Inc. merged into Ebay Wanted, Inc. On October 6, 2014, Cell Phone Club, Inc. filed a proof of claim in the amount of \$1,562.50 (Claim No. 16-1). Gus Curcio, Sr., the manager of the Debtor, is the President and Director of Ebay Wanted, Inc.;

n. Ebay Wanted, Inc. for a mortgage securing the original principal amount of \$1,000 and held by Out Law Boxing Kats, Inc. By merger dated November 8, 2016, Out Law Boxing Kats, Inc. merged into Ebay Wanted, Inc. On October 6, 2014, Out Law Boxing Kats, Inc. filed a proof of claim in the amount of \$1,562.50 (Claim No. 12-1);

o. Ebay Wanted, Inc. for a mortgage securing the original principal amount of \$1,000 and held by Millionair Club, Inc. By merger dated August 6, 2015, Millionair Club, Inc. merged into Ebay Wanted, Inc. On October 6, 2014, Millionair Club, Inc. filed a proof of claim in the amount of \$1,562.50 (Claim No. 14-1). Gus Curcio, Sr., the manager of the Debtor, is the President and Director of Ebay Wanted, Inc.;

p. Ebay Wanted, Inc. for a mortgage securing the original principal amount of \$1,000 and held by City Streets, Inc. By merger dated August 6, 2015, City Streets, Inc. merged into Ebay Wanted, Inc. On October 6, 2014, City Streets, Inc. filed a proof of claim in the amount of \$1,562.50 (Claim No. 15-1). Gus Curcio, Sr., the manager of the Debtor, is the President and Director of Ebay Wanted, Inc.;

q. Estate of Faye Kish for a mortgage securing the original principal amount of \$500;

r. Richard Urban for a mortgage securing the original principal amount of \$1,200;

s. Dahill Donofrio for a mortgage securing the original principal amount of \$2,000.

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

These are claims held by the Town of Stratford for unpaid and unliened real estate taxes and sewer use fees that accrued prior to the Petition Date in the approximate amount of less than \$2,500.

C. Unsecured Debt

As of the date of this Statement, there are approximately thirteen unsecured creditors, including, except as set forth below, the junior lien holders described above in Paragraphs 1(f) – 1(s), with claims in the aggregate approximate amount of \$1,300,000. Ebay Wanted Inc., the holder of seven of the junior liens identified in Paragraphs 1(f) – 1(s) above, has agreed to release any liens and subordinate its unsecured claim to the claims of allowed general unsecured creditors. In addition, Gus Curcio, Sr. and Julia Kish have agreed to subordinate their respective claims including the claim of the Estate of Faye Kish to the claims of allowed general unsecured creditors.

Further, Jose Antonio Pires and Dean Moccia have agreed to subordinate their claims to Class 13 claim holders.

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 later of (i) the first business day following the closing of the sale of the Property and (ii) the first business day 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 following the date on which such appeal has been exhausted.

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

6. **Net Proceeds** shall mean the proceeds of the sale of the Property after payment of the usual and customary closing adjustments and costs and expenses of the transaction, including, but not limited to, attorneys fees.

7. **Property** shall mean the real property owned by the Debtor and known as 3044

Main Street in Stratford, Connecticut.

8. **Yellow Rose** shall mean Yellow Rose, Inc.

9. **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 4 - 14 assuming that their claims are allowed. Of those creditors in Classes 4 - 14 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 by the Effective Date of the Plan, are upon terms mutually agreeable with the administrative claim holder, and the Company; 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.

To the extent that the word “impaired” is used, impaired is defined in Section 1124 of the Bankruptcy Code 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 Section 365 (b) (2) of this title or of a kind that Section 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 Section 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 a Disputed Claim. As noted previously, holders of Disputed Claims had until June 30, 2016 to file a Proof of Claim. 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 \$75,000. The allowance of this claim is required to be approved by the Court. Administrative claims will be paid in full on the later of their allowance or Effective Date of the Plan. Any administrative claim holder herein may elect to receive a payment over a period of time or a different treatment.

2. **Secured Claims**

a. **Class 1**

Class 1 consists of State Tax Collection Agency LLC for the tax liens assigned from the Town of Stratford on the Property.

b. **Class 2**

Class 2 consists of Town of Stratford for tax and sewer liens on the Property.

c. **Class 3**

Class 3 consists of the Trustee for a first mortgage on the Property.

d. **Class 4**

Class 4 consists of IP Media Products LLC. for a second mortgage on the Property.

e. **Class 5**

Class 5 consists of Ebay Wanted, Inc. for its junior mortgages on the Property.

f. **Class 6**

Class 6 consists of Albina Pires for a junior mortgage on the Property.

g. **Class 7**

Class 7 shall consist of the claim of Gus Curcio, Jr. for his junior mortgage on the Property.

h. **Class 8**

Class 8 shall consist of the claim of Robin Cummings for a junior mortgage on the Property.

i. **Class 9**

Class 9 shall consist of the claim of Joseph Regensburger for a junior mortgage on the Property.

j. **Class 10**

Class 10 shall consist of the claim of the Estate of Faye Kish for a junior mortgage on the Property.

k. **Class 11**

Class 11 shall consist of the claim of Richard Urban for a junior mortgage on the Property.

l. **Class 12**

Class 12 shall consist of the claim of Dahill Donofrio for a junior mortgage on the Property.

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

These are the claims for any unliened real estate taxes or sewer use fees due the Town of Stratford.

4. **Unsecured Claims Class 13**

These are the claims of the unsecured creditors, including those creditors that have become unsecured as the result of the release of alleged liens pursuant to the Plan.

5. **Subordinated Unsecured Claims Class 14**

These are the claims that are subordinated to the claims of Class 13 claimants.

6. **Claims of Equity Security Holder Class 15**

Joseph Regensburger is the Company's equity holder.

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

2. Priority Claims

Priority claims will be paid in full on the Effective Date of the Plan.

3. Secured Claims

a. Class 1 Unimpaired

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

b. Class 2 Unimpaired

The Town of Stratford's allowed secured claim shall be paid in full upon the Effective Date of the Plan. Until paid, it shall retain its liens.

c. Class 3 Unimpaired

By notice dated April 30, 2015, the Trustee has elected to have his secured claim treated pursuant to Section 1111(b) of the Bankruptcy Code. As a result of this election, the Trustee will not have an unsecured claim against the Debtor. The Trustee has filed an amended proof of claim in the amount of \$665,161.93. The Debtor has made 37 monthly adequate protection payments of \$3,750 each to the Trustee as of August 17, 2017 totaling \$138,750. Interest shall accrue on the Trustee's allowed secured claim as of January 1, 2016 at 10% *per annum*. The Trustee's allowed secured claim after application of all adequate protection payments shall be paid in full on the Effective Date of the Plan. Until paid, the Trustee shall retain his lien

on the Property.

d. **Class 4 Impaired**

The allowed secured claim of IP Media Products, LLC shall receive the sum of \$100,000 from the Net Proceeds of the sale of the Property on the Effective Date of the Plan. The balance of the claim of IP Media Products, LLC shall be treated as a Class 13 claimant. Until paid its secured claim of \$100,000, IP Media Products, LLC shall retain its lien on the Property.

e. **Class 5 Impaired**

Ebay Wanted, Inc. shall release its mortgages on the Property and its claims shall be treated as a Class 14 claim.

f. **Class 6 Impaired**

Albina Pires shall release her mortgage on the Property and her claim shall be treated as a Class 13 claim.

g. **Class 7 Impaired**

Gus Curcio, Jr. shall release his mortgage on the Property and his claim shall be treated as a Class 14 claim.

h. **Class 8 Impaired**

Robin Cummings shall release his mortgage on the Property and his claim shall be treated as a Class 13 claim.

i. **Class 9 Impaired**

Joseph Regensburger shall release his mortgage on the Property and waive any claim against the Debtor.

j. **Class 10 Impaired**

The Estate of Faye Kish shall release its mortgage on the Property and its

claim shall be treated as a Class 14 claim.

k. **Class 11 Impaired**

Richard Urban shall release his mortgage on the Property and his claim shall be treated as a Class 13 claim.

l. **Class 12 Impaired**

Dahill Donofrio shall release his mortgage on the Property and his claim shall be treated as a Class 13 claim.

m. **Class 13 Impaired**

The unsecured creditors will receive a *pro rata* distribution of (i) net proceeds from the sale of the Property after payment of Classes 1 - 4 claims and any outstanding administrative claims; plus (ii) two hundred thousand dollars (\$200,000) (the “Cash Distribution”). The distributions shall be made to Class 13 claimants on a *pro rata* basis as follows: (i) within fifteen (15) days of the Effective Date of the Plan or upon allowance of a creditor’s particular claim; and (ii) with respect to the Cash Distribution, in four annual distributions of \$50,000, commencing 180 days after the Effective Date of the Plan.

n. **Class 14 Impaired**

The subordinated unsecured creditors will receive a *pro rata* distribution of the net proceeds from the sale of the Property after payment in full of administrative claims, Classes 1-4 and Class 13 claims.

o. **Class 15 Unimpaired**

Joseph Regensburger shall release any lien he holds on the Property, and waive any claims he may hold against the Debtor’s estate and invest into the Debtor (i) any funds necessary to fund the four annual distributions of \$50,000 to holders of allowed Class 13 claims

and (ii) any funds necessary to fund the payment of allowed administrative claims, and shall retain his interest in the Debtor subject to his obligations under the Plan.

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 rejected in the Plan or objected to prior to Confirmation shall be assumed by the confirmation of the Plan.

B. Liquidation Value

The Court, in its Order dated April 13, 2015, determined the value of the Property to be \$550,000. After entry of the Order, the Debtor obtained the Zoning Approval (as hereinafter defined) which has affected the value of the Property. The Debtor has marketed the Property for sale, through its retained real estate broker, DeLibro Realty Group, since January 2017. The Debtor believes the proposed sale of the Property pursuant to the D&M Purchase Agreement and its Plan shall maximize a recovery for its creditors and provide a higher recovery than any sale in a chapter 7 bankruptcy proceeding. Any sale in a chapter 7 bankruptcy proceeding would include the payment of a commission to a bankruptcy trustee and may not include the voluntary lien releases and subordination agreements obtained by the Debtor under its Plan. Annexed hereto is Exhibit A which is a spreadsheet showing the Court's finding as to value of the Property, a summary of the liens on the Property, and proposed Plan payments to be made to lien holders.

C. Means of Effectuation of the Plan

After the Petition Date, the Company received a conditional zoning approval from the Town of Stratford for development plan for the Property (the “Zoning Approval”) to erect thirty-nine (39) market rate and affordable housing units. The Town of Stratford filed an appeal of the Zoning Approval in the Connecticut Superior Court, Docket No. CV15-6049299-S. In January, 2016 the Connecticut Superior Court denied the appeal filed by the Town of Stratford. Moreover, the Connecticut Superior Court ruling, at the Company’s request, removed two (2) conditions initially set forth by the planning and zoning commission in the Zoning Appeal. The Company believes that the removal of these conditions has improved the marketability of the Property. The Company believes the Zoning Approval benefits the estate. The Company retained DeLibro Realty Group, pursuant to an order of the Court, as its real estate broker to market the Property. After extensive negotiations, the Debtor entered the D&M Purchase Agreement to sell the Property for \$825,000 subject to higher and better offers and court approval. The terms of the D&M Purchase Agreement provide for a purchase price of \$825,000 and the closing is subject to a six month extension of the Zoning Approval, as defined herein, and Proposed Purchaser’s sale of a parcel of real property. There are no other financing contingencies and the sale is on an “as is” basis.

The Debtor will publish a Notice of Sale, identifying the property being sold and the proposed purchase price and a deadline for the submission of bids in the Connecticut Post at least three (3) weeks prior to any hearing on the confirmation of the Plan in addition to having its broker, DeLibro Realty Group, advise all parties that have shown an interest in the Property of the Notice of Sale. Upon request, a copy of the D&M Purchase Agreement will be made available to interested parties. The deadline for the submission of bids shall be 4:00 p.m. local time the day before the hearing on confirmation of the Plan (the “Bid Deadline”). To be a qualified bid, the bidder must

submit to counsel for the Debtor on or before the Bid Deadline, a copy of the D&M Purchase Agreement marked as appropriate together with a deposit in the amount of \$85,000.00 (the “Bid Deposit”). The Bid Deposit shall be held by counsel for the Debtor until the higher and best offer is determined by the Debtor, in its sole discretion, at which time Bid Deposits received by non-successful bidders shall be promptly returned. In the event the Debtor determines that a received bid is the highest and best offer, that bidder will be the successful bidder (the “Successful Bidder”) and Debtor will terminate the D&M Purchase Agreement. The Debtor shall execute a purchase agreement with the Successful Bidder and proceed to confirmation of the Plan (the “Purchase Agreement”). The sale of the Property shall be made pursuant to Section 1146 of the Bankruptcy Code. The Debtor will seek, in the Order confirming the Plan, a finding that the transfer of the Property pursuant to the Plan will be exempt from taxation.

The Company has entered a written lease agreement with the United States Postal Service (the “Tenant”) for the lease of the Property (“The Postal Lease”) for use as employee parking. Under the terms of the Postal Lease, the Company is paid \$3,000 per month.

Certain individuals and entities have agreed to subordinate their claims to allowed general unsecured claims to facilitate in maximizing a recovery for other creditors under the Company’s Plan. Gus Curcio, Sr. and Julia Kish have agreed to subordinate any and all claims either may possess against the Company to Class 13 Claimants. Ebay Wanted, Inc., as assignee of seven of the junior liens, agrees to release any liens and subordinate its claim to Class 13 claims. Dean Moccia, as assignee of a claim of Julia Kish, has agreed to subordinate his claim to Class 13 claims. Jose Antonio Pires, as assignee of a claim of Gus Curcio, Sr., has agreed to release any lien interests and subordinate his claim to Class 13 claims. These consensual subordinations results in a reduction of the Class 13 claims by approximately \$500,000. In addition, Joseph Regensburger

has agreed to waive any claims he may have against the estate.

All allowed secured non-tax and tax claims as determined by the Court shall receive payments as set forth in Exhibit A annexed to the final approved Disclosure Statement and Plan and terms of payment shall be binding on the allowed secured claims and creditors. 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.

D. The Debtor's Assets

In addition to the Property, the Debtor has a pre-petition receivable from Yellow Rose. The Company does not have a promissory note or other writing from Yellow Rose to substantiate its obligation to the Company. The Company has received payments from Yellow Rose since the Petition Date totaling \$117,227 as of March 17, 2017. Yellow Rose, a Connecticut corporation founded in 2010, is a management business owned by Jose Antonio Pires of Bridgeport, Connecticut. Based upon the Company's analysis of Yellow Rose's financial ability to repay the obligations, it reached an agreement with Yellow Rose regarding the claim and has submitted the proposed settlement to the Court for approval. Under the proposed agreement, Yellow Rose shall pay the Company \$225,000 plus interest in monthly payments of \$5,437.50 for forty-eight (48) months in satisfaction of the Company's claim. The Company believes that its payment agreement with Yellow Rose will enable it to meet its payment obligations under its Plan.

E. Proposed Sale Pursuant to Section 1146 of the Bankruptcy Code

The sale 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 Company shall, therefore, seek an exemption from the imposition of state and local conveyance taxes upon the sale of the Property and will request a finding in the Order confirming the Plan that no tax is due on the conveyance of the Property pursuant to the Plan.

F. Projection

Prior to its bankruptcy filing, the Company produced little or no income. Since its bankruptcy filing, the Company has entered the Postal Lease, entered into a payment agreement with Yellow Rose, and entered into the D&M Purchase Agreement which it believes will enable it to maximize a recovery for its creditors. The Plan provides for the sale of the Property, the collection of its receivables from Yellow Rose, and that the Company shall receive capital investments from Regensburger, if necessary, including (i) any funds necessary to fund the four annual distributions of \$50,000 to holders of allowed Class 13 claims and (ii) any funds necessary to fund payment of allowed administrative claims. Regensburger's investment commitments as set forth in the Plan shall be enforceable by the Company or an authorized representative of the Company including a trustee appointment appointed pursuant to an order of the Court. The reader is cautioned that the Company's 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 due to the financial commitments of its principal, its rental income, its Yellow Rose collections, and its proposed sale of the Property, sufficient revenue will be generated in order for the Company to make the required payments under the Plan and that the

Plan as proposed is in the best interests of its creditors. The Company anticipates that after confirmation of the Plan, Regensburger will continue to serve as the Company's managing member and Mr. Gus Curcio, Sr. will continue to serve as a manager until the Property is sold and distributions are made to creditors under the Plan. Neither Regensburger nor Mr. Curcio will receive compensation for their services provided to the Company. Further, Regensburger will waive and release any and all claims he may have against the Company. The Company believes that the payments under the Plan are not less than what creditors would receive if the Company was liquidated. The Company believes that in a liquidation there is insufficient value in the Property to satisfy the claims of the Class 3 -14 claim holders. Moreover, in a liquidation, the collection of the Yellow Rose receivable is uncertain, and any collection would be reduced by the fees and costs associated with a chapter 7 liquidation proceeding. As a result, the Company anticipates that unsecured creditors would receive little or no distribution in a liquidation.

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 Property is unknown. 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 Company 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 the Equity Interest 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 Debtors of the transactions or matters addressed herein; and (c) holders of Claims and the Equity Interest should seek

advice based on their particular circumstances from an independent tax advisor.

3. Consequences to Holders of Allowed General Unsecured Claims Class 13

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: August 18, 2017
New Haven, Connecticut

THE DEBTOR,
LONG BROOK STATION, LLC

THE DEBTOR,
LONG BROOK STATION, LLC

By: /s/Joseph Regensburger
Joseph Regensburger
Member

/s/Joseph Regensburger
Joseph Regensburger, Individually

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

**LONG BROOK STATION, LLC
EXHIBIT A
NINTH AMENDED PLAN OF REORGANIZATION**

| PropertyName | Claimant | Principal ClaimAmt | Accrued Interest & Fees thru 8/2017 | ClaimAmt | LienNature | Proposed Plan Payment |
|---------------------|--|---------------------------|--|-----------------|--------------------------------|------------------------------|
| 3044 Main Street | Manuel Moutinho, Trustee | 289,336.32 | | *593,078.59 | Mortgage (1st) | \$593,078.59 |
| | Town of Stratford Total | 12,026.22 | 6,132.33 | 18,158.55 | RE Tax and Sewer (2007 - 2016) | \$18,158.55 |
| | State Tax Collection Agency (STCA) Total | ~27,164.60 | | ~27,164.60 | RE Taxes 2007 - 2010 | ~\$27,164.60 |
| | IP Media Products, LLC | 300,000.00 | | 300,000.00 | Mortgage (2nd) | \$100,000.00 |

*Claim amount as of the Petition Date, including \$17,200.02 in post-petition legal fees and costs and 10% interest accrued from 1/1/16 to 9/1/17. The Debtor has made 37 monthly adequate protection payments to the Trustee of \$3,750 each totaling \$138,750.

~Pursuant to the Court's April 20, 2017 Order (ECF No. 229), STCA's claim is allowed in the amount of \$27,164.60 through March 2017.

EXHIBIT
B

AGREEMENT OF PURCHASE & SALE

AGREEMENT, made as of this ____ day of July, 2017, by and between **LONG BROOK STATION LLC** a Connecticut limited liability company with a place of business in Milford, Connecticut (hereinafter the “ Seller”) and **Nelson DaSilva** of _____, CT, and **Rafael Marin** of _____, CT, or an entity to be designated by them (hereinafter jointly, the “Buyer”).

WITNESSETH, that the Seller agrees to convey and the Buyer agrees to purchase certain real property, and any improvements located thereon, known as 3044 Main Street, Stratford, CT (hereinafter “the Property”), and which is more fully bounded and described in Schedule A, attached hereto, according to the terms and provisions set forth:

1. **PURCHASE PRICE.** The full purchase price, subject to adjustments as provided in Paragraph 4 hereinafter, is:

EIGHT HUNDRED TWENTY-FIVE THOUSAND AND NO/100 (\$825,000.00)

DOLLARS, payable as follows:

| | | |
|-------|--|--|
| (I.) | By Binder Deposit paid | \$8,000.00 |
| (ii.) | By deposit paid upon execution of this Contract by the Buyer and Seller and the Court approval provided for in Paragraph 19 hereinafter | \$ 74,500.00 |
| (II.) | By certified or bank check, drawn on a Connecticut bank, to be delivered at time of closing | <u>742,500.00</u> <u>\$825,000.00</u> |

2. **DEED.** Possession of the premises, is to be given by the Seller to the Buyer upon delivery of the deed of conveyance as hereinafter provided. The deed shall be by Warranty Deed duly executed and acknowledged, containing full covenants and in the usual form according to Connecticut practice, conveying to the Buyer, good marketable title in and to the aforesaid premises free of all encumbrances except as hereinafter stated:

A) Any and all provisions of any ordinance, municipal regulation, public or private law;

B) Such facts as an accurate survey and/or inspection of said premises might reveal;

C) The unpaid balance, not overdue, of any existing sewer liens or assessment or pending assessments for which a lien or liens have not as yet been filed;

D) Real estate taxes not delinquent on the then current list year,

E) Common law rights of upper and lower riparian owners in and to any natural watercourse flowing through or adjoining the premises, if any, and statutory rights of others in and to any such watercourse.

F) Provisions of inland wetlands laws and regulations.

G) All restrictions, easements and covenants as of record appear, provided that title is not hereby rendered unmarketable.

3. **DEFECTS IN TITLE.** As part of its due diligence the Buyer shall have title searches performed on the property within thirty (30) days of the execution of this contract. The Buyer shall deliver copies of said title searches to the Seller upon receipt of the same. The Buyer shall further deliver notice to the Seller, in writing, within thirty (30) days of the execution of this Contract, of the existence of any defect affecting the title to the premises. The Seller shall promptly, and in good faith, seek to cure the same and shall have a period not exceeding sixty (60)

days within which to perfect title. Unpaid mortgages, which would be paid at the closing, do not constitute a title defect. If the Seller shall be unable to cure said title defect within said period, the Buyer shall, within ten (10) days thereafter, have the option of either accepting such title as the Seller can convey, or may cancel the transaction upon the ground of such defect, upon which all sums advanced hereunder shall be returned to the Buyer, without interest thereon, and upon receipt of such payment, this Agreement shall terminate and each party hereto shall be forever released and discharged of all further claims and obligations hereunder.

Upon the expiration of said thirty (30) day due diligence period, if the Buyer has not delivered notice of said defects as aforesaid, the Seller shall be deemed to have accepted the state of the title of the property, subject only to any defects which may arise subsequent to the expiration of said due diligence period and prior to the closing.

4. **ADJUSTMENTS.** At time of closing, real estate taxes, fire district taxes, rents, sewer service, water, or other municipal liens or assessments, if any, are to be adjusted and apportioned between Buyer and Seller in accordance with the standard of practice assumed by the Bar Association in the locale.

5. **CONVEYANCE TAXES.** In addition to the aforementioned deed the Seller shall at time of closing deliver to the Buyer the necessary amount for the local and Connecticut real estate conveyance taxes.

6. **ZONING APPROVAL EXTENSION CONTINGENCY.**

The Seller represents that the Seller has received all necessary zoning approval to construct a 39 unit apartment building, consisting of twelve two-bedroom units and twenty-seven one-bedroom units. Four units must be designated as affordable as defined under the relevant Connecticut statutes regarding affordable housing.

This purchase is contingent upon and subject to the Seller obtaining an extension of the current approvals for a term of at least six months beyond the current approval expiration date.

7. MORTGAGE AND PROPERTY SALE CONTINGENCIES

There is no mortgage contingency. However, the Buyers' represent that the funds for the purchase of the property shall be obtained from the sale of other properties and the Buyers' obligations hereunder are subject to the Buyers closing of the sales of two properties, to wit:

- (a) 26 Everwoods Drive, New Milford, CT; sale price \$550,000.00, with an expected closing date of July 28, 2017
- (b) 5 Hardwood Circle, New Milford, CT; sale price \$480,000.00, with an expected closing date of approximately September 1, 2017
- (c) The Buyers must provide copies of executed contracts for the sale of the two above properties together with the Buyers' delivery of the signed Agreement of Purchase and Sale.

8. LIQUIDATED DAMAGES. In the event the Buyer fails in the performance of any of the material terms hereof after all contingencies have been met, it is agreed that the Seller's damages would be impossible to determine with exactness, but that said damages would be at least equal to the deposit made hereunder and the Seller may retain said deposit as liquidated damages.

9. REAL ESTATE BROKERS. The parties represent unto each other that Robert Delibero of Delibero Realty Group is entitled to claim a commission for this transaction. The Buyer agrees to hold the Seller harmless from any claims made by any other real estate brokers concerning commissions for the sale of this premises including the reasonable cost of defending any such claims.

10. **CLOSING.** The closing shall take place in the law office of Neubert, Pepe & Monteith, P.C., 195 Church Street, New Haven, Connecticut, or at such other place as may be subsequently agreed upon by the parties, upon the satisfaction of all contingencies provided for herein, which closing shall take place within fourteen (14) days after of the satisfaction of the following contingencies:

- (a) The Seller obtaining the extension provided for in paragraph 6 hereinabove;
- (b) The Buyers having sold the properties as provided in paragraph 7 hereinabove;
- (c) The Seller having obtained the Court approval as provided in Paragraph 19 hereinafter.

11. **BINDING AGREEMENT.** This agreement shall be binding upon the heirs, legal representatives, successors and assigns of the parties hereto.

12. **BUYER'S LIEN.** All sums paid on account of this agreement and the reasonable fees for the examination of the title to said premises are hereby made liens thereon, but such liens shall not continue after default by the Buyer under the terms of this agreement.

13. **ACCEPTANCE OF DEED.** 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.

14. **CONDITION OF PROPERTY/INSPECTION.** Buyer agrees that it is purchasing the property in "**AS IS**" condition and that it has inspected the Premises and is fully satisfied with the physical condition thereof, and that neither the Seller nor any representative of the Seller have made any representation or promise upon which the Buyers have relied covering the condition of any property covered by this sale, including the presence of any underground oil

tanks or other adverse environmental condition or the presence of toxic or hazardous wastes, except as expressly set forth herein. The Buyers acknowledge that the Seller has given the Buyers the opportunity to investigate, examine and inspect the Premises.

15. **RELEASE OF LIENS.** Notwithstanding anything to the contrary contained in this Agreement or any rider attached hereto, in the event the Seller after due diligence cannot obtain a release for any existing mortgage on the Premises at the time of the closing of title from the lending institution holding said mortgage, or any assignee thereof, either because said lending institution will not release the mortgage without first receiving payment or because the lending institution has delayed in sending the Seller's Attorney the release of mortgage, then the Purchaser agrees to close title notwithstanding the absence of the release of mortgage, provided the attorney for the Seller furnishes the attorney for the Purchaser, at the closing, with a payoff amount, a copy of payoff letter from the mortgage holder and a copy of the payoff check evidencing that payment of the unreleased mortgage is to be made in full at the time of the closing, and with an undertaking to make said payment, and further provided the Purchaser's title insurance company will issue a fee policy at no additional premium which takes no exception for said mortgage or mortgages. Seller shall exercise due diligence to obtain any such release or releases and will upon receipt thereof immediately record the same and forward a copy or copies thereof to the Purchaser's attorney with recording information. If the Seller has not obtained such release within sixty (60) days after closing, the Seller shall give to the Purchaser's attorney the affidavit provided for in Connecticut General Statutes Section 49-8(a), as amended together with the necessary recording fee. This provision shall survive the closing.

16. **HEADINGS.** The headings of the paragraphs of this contract are for reference and identification purposes only and are not intended to limit or modify the paragraphs themselves and the language therein.

17. **NOTICES.** Wherever it is provided herein that either party shall give the other party notice or other writing, such notice by either party to the other shall be given by mail, hand-delivered, overnight carrier or by email transmission as stated below:

IF TO SELLER:

Douglas S. Skalka, Esq.
Neubert, Pepe & Monteith, P.C.
195 Church Street
New Haven, CT 06510
(203) 821-2000
dskalka@npmlaw.com

IF TO BUYER:

Doug Lewis, Esq.
Evans & Lewis
93 Greenwood Avenue #1
Bethel, CT 06801
(203) 743-7644
lewisdouglas74@yahoo.com

18. **INTERPRETATION OF TERMS.** In all references herein to any parties, persons, entities or corporations the use of any particular gender or the plural or singular number is intended to include the appropriate gender or number as the text of the within instrument may require clarification.

19. **BANKRUPTCY COURT APPROVAL.** This Contract is subject to approval by the United States Bankruptcy Court. The Seller is a Debtor-in Possession and cannot sell the property unless and until the Seller has received approval from the United States Bankruptcy Court. The Seller agrees to make timely application for such approval and to pursue the same with diligence.

IN THE PRESENCE OF:

BUYER:

NELSON DaSILVA

BUYER:

RAFAEL MARIN

SELLER:
LONG BROOK STATION, LLC

BY: _____
JOSEPH REGENSBURGER, MEMBER

SERVICE LIST

Electronic Mail Notice List

- Jeffrey Hellman jeff@jeffhellmanlaw.com, christen@jeffhellmanlaw.com
- Bruce D. Jackson bdj@jlgct.com, jlh@jlgct.com
- James M. Nugent jmn@quidproquo.com, talba@harlowadamsfriedman.com
- Sean Robert Plumb srp@jlgct.com, jlh@jlgct.com
- U. S. Trustee USTPRegion02.NH.ECF@USDOJ.GOV
- James R. Winkel jrw@quidproquo.com, talba@haflaw.com

Manual Notice List

Steven E. Mackey
Office of the U.S. Trustee
The Giaimo Federal Building
150 Court Street, Room 302
New Haven, CT 06510

DeLibro Realty Group, LLC
Attn: President or General Mgr.
1504 Barnum Avenue
Bridgeport, CT 06610

Knott, Knott and Dunn
Attn: President or General Mgr.
1656 Main Street
Stratford, CT 06615

IP Media Products, LLC
Attn: President or General Mgr.
128 Juniper Drive
Milford, CT 06460