

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

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In re:	:	CHAPTER 11
	:	
THE TRINITY TEMPLE CHURCH	:	
OF GOD IN CHRIST	:	CASE NO. 16-30714 (AMN)
	:	
Debtor	:	JANUARY 2, 2017
	:	

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**DISCLOSURE STATEMENT FOR  
PLAN OF REORGANIZATION OF  
THE TRINITY TEMPLE CHURCH OF GOD IN CHRIST**

RESPECTFULLY SUBMITTED,  
THE DEBTOR:  
Trinity Temple Church of God in Christ

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## **INTRODUCTION AND DISCLAIMER**

Trinity Temple Church of God in Christ, debtor and debtor-in-possession (the “Church” or the “Debtor”), submits this Disclosure Statement (the “Disclosure Statement”) pursuant to section 1125 of the Bankruptcy Code, for use in the solicitation of votes on the Chapter 11 Plan for the Debtor (the “Plan”), proposed by the Debtor and filed with the Bankruptcy Court contemporaneously with the filing of this Disclosure Statement. A copy of the Plan is annexed hereto as an exhibit. This Disclosure Statement also describes terms and provisions of the Plan, including certain alternatives to the Plan, certain effects of Confirmation, and the manner in which distributions will be made under the Plan. In addition, this Disclosure Statement discusses the confirmation process and the voting procedures that holders of Claims against and Interests in the Debtor must follow for their votes, if any, to be counted. All capitalized terms not defined in this Disclosure Statement shall have the meanings ascribed to such terms in the Plan.

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN STATUTORY PROVISIONS, AND CERTAIN FINANCIAL INFORMATION. ALTHOUGH THE DEBTOR BELIEVES THAT THE PLAN AND RELATED DOCUMENT SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTOR’S MANAGEMENT, EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF THE DEBTOR’S PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY MAKE ANY REPRESENTATIONS, OTHER THAN THE REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN. ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETIES BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE OF THIS DISCLOSURE STATEMENT AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER SUCH DATE.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, RETAINED ACTIONS, AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE

STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NONBANKRUPTCY PROCEEDING, NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTOR.

**IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND BECOMES EFFECTIVE, ALL HOLDERS OF CLAIMS AND INTERESTS (INCLUDING THOSE WHO REJECTED OR WHO ARE DEEMED TO HAVE REJECTED THE PLAN AND THOSE WHO DID NOT SUBMIT BALLOTS TO ACCEPT THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN.**

**THE PLAN PROVIDES A DISTRIBUTION TO CREDITORS WHEN THERE WOULD NOT BE ONE IN A CHAPTER 7 LIQUIDATION OF THE DEBTOR.**

**I. GENERAL INFORMATION**

**A. Definitions and Clarifications.**

Unless stated otherwise, terms which are defined in Article I of the Plan and are not otherwise defined in this Disclosure Statement shall have the meanings ascribed to them in Article I of the Plan.

**B. Purpose.**

The information contained in this Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan. No person is authorized to provide any information or make any representations, other than the information and representations contained in this Disclosure Statement, regarding the Plan or the solicitation of acceptances of the Plan.

**C. Notice to Holders of Claims and Interests.**

This Disclosure Statement is being transmitted to holders of Claims against, and Interests in, the Debtor for the purpose of soliciting votes on the Plan and to other parties-in-interest for informational purposes. The purpose of this Disclosure Statement is to provide adequate information to enable the holder of a Claim against or an Interest in the Debtor to make a reasonably informed decision with respect to the Plan prior to voting to accept or reject the Plan.

**PLEASE MAKE NOTE OF AND ATTEND TO THE FOLLOWING:**

- By order entered \_\_\_\_\_, the Bankruptcy Court approved this Disclosure Statement as containing information of a kind and in sufficient and adequate detail to enable such holders of Claims and Interests to make an informed judgment with respect to acceptance or rejection of the Plan.
- The Bankruptcy Court's approval of this Disclosure Statement does not constitute either a guaranty of the accuracy or completeness of the information contained herein or an endorsement of the Plan by the Bankruptcy Court.
- No representations concerning the Debtor or the value of its assets have been authorized by the Bankruptcy Court other than as set forth in this Disclosure Statement.
- The financial information contained in this Disclosure Statement has not been audited by a certified public accounting firm and has not necessarily been prepared in accordance with generally accepted accounting principles.

## **II. DESCRIPTION OF THE DEBTOR AND THE CHAPTER 11 CASE**

### **A. Background of the Debtor.**

The Debtor is a historically African American church located in New Haven, Connecticut. The Debtor has been in existence for more than 75 years and is an important local religious institution, providing a house of worship to over 250 members. The Church is a member of Church of God in Christ, a Pentecostal Christian denomination with more than six million members.

The principal pastor at the church is Reverend Charles H. Brewer, III. Reverend Brewer is also aided by his father, Bishop Charles H. Brewer, Jr. Bishop Brewer's father was the founding pastor of the church. In addition to its core religious functions, the Church provides charitable services such as a food pantry, assistance with rent and grocery stabilization, and aid with medical costs of indigent community members.

### **B. Events and Circumstances Leading to Commencement of Chapter 11 Case.**

The Debtor's financial troubles began when it attempted to open a daycare center adjacent to its main church building located at 275 Dixwell Avenue, New Haven, Connecticut. A number of complications with the daycare caused the Debtor to be forced to divert operating funds from the church to support the daycare, resulting in the mortgage on the property held by the Evangelical Christian Credit Union ("ECCU") going into default. In February 2012, ECCU commenced a foreclosure action concerning its mortgage in the case styled *Evangelical Christian Credit Union v. The Trinity Temple Church of God in Christ*, Case No. NNH-CV12-6027104-S (the "Church Property Foreclosure Case").

Because of the Church Property Foreclosure Case, donations and collections became reduced as parishioners were uncertain about their Church's future. This reduction in income further exacerbated the Church's financial difficulties.

In 2014, following a bankruptcy filing, the Debtor believed it had resolved the mortgage issue on the Dixwell Avenue property. However, upon dismissal of the Debtor's prior bankruptcy case, ECCU sold its mortgage to Greenwich Investors Trust XLV 2013-1 ("GIT"). A sale of the Dixwell Avenue property was scheduled for May 7, 2016. Accordingly, the deal the Debtor believed it had worked out with ECCU was no longer acceptable to GIT. Thereafter, the Debtor attempted to resolve the matter with GIT to no avail.

The instant bankruptcy filing was filed on May 5, 2016 (the "Petition Date") in order to save the Church for its members.

### **C. The Debtor's Assets and Liabilities**

#### **1. Primary Assets and Income Sources**

The Debtor's material assets are the properties located at 275 Dixwell Avenue and 260 Roydon Road in New Haven, Connecticut. 275 Dixwell Avenue is the Debtor's main church

building (the “Church Property”). A recent appraisal has valued the Church Property at \$1,650,000, if used as a church.

260 Roydon Road, New Haven, Connecticut (“260 Roydon”) is the residence for the Bishop Charles Brewer, Jr. A recent appraisal has valued the 260 Roydon Property at \$222,000.

As a charitable religious institution, the Debtor is reliant on donations from its members to fund operations. Consistent with the traditions and teachings of the Church of God in Christ and other Christian denominations, the Debtor receives weekly collections from members who attend services, as well as donations. The Debtor also received approximately \$750 per month in rental income from use of its parking lot. From time to time, the Debtor also receives income from rental of its facilities.

## **2. Primary Liabilities**

With respect to 275 Dixwell Avenue, the Debtor’s liabilities consist primarily of the mortgage now held by Greenwich Investors XLV REO, LLC (“Greenwich”), an affiliate of GIT, and two mortgages held by Margaret Kuharec and Edmund Ramos. The Kuharec and Ramos mortgages were both assigned to those individuals by The Right Mortgage Company (“RMC”) and are contested by the Debtor on the grounds that RMC *released* both mortgages and then impermissibly re-recorded them. Greenwich has filed a proof of claim in the amount of \$837,819.90 (Claim #3).

With respect to 260 Roydon, the Debtor’s liabilities consist mostly of the mortgage now held by Bank of New York Mellon and certain disputed judgment liens. Additional liabilities of the Debtor include certain unsecured claims. The Debtor believes the value of 260 Roydon is approximately \$220,000, based on an appraisal conducted by Bank of New York Trust Co., N.A., successor trustee to JPMorgan Chase Bank, N.A., as original trustee for the MLMI SURF Trust Series 2005-BC3 (“BNY”), in connection with the pending foreclosure of 260 Roydon in the matter styled *The Bank of New York Trust Co., N.A. v. Barrett*, Docket No. NNH-CV-15-6056684S (the “260 Roydon Foreclosure Case”). However, the 260 Roydon Property is in need of significant repair and updating. BNY has filed a proof of claim in the amount of \$414,104.25 (Claim #6). The BNY Claim and Lien is of a non-recourse nature as the Church is not an obligor with respect to the note to BNY. Thus, BNY may not obtain a deficiency judgment against the Church and cannot obtain an unsecured claim against the Church.

## **D. Material Events Occurring in the Chapter 11 Case**

During the Chapter 11 case, significant time was spent establishing better institutional financial controls and operating procedures for the Church. The Church retained an accountant, Teja Sharif who has aided the Church by establishing accounting protocols and cash controls to ensure income and expenses are being properly tracked. Further, Reverend Brewer has worked diligently and successfully to increase the income of the Church.

On July 27, 2016, Greenwich filed a motion for relief from stay (doc. #44, the “Lift Stay Motion”), to which the Debtor objected (doc. #48, the “Objection”) and Greenwich filed a reply

on September 9, 2016 (doc. #54, the “Reply”). Greenwich also filed an updated appraisal (doc. #46). By motion dated September 12, 2016 (doc. #55, the “Cash Collateral Motion,” which together with the Lift Stay Motion are collectively referred to as the “Pending Motions”), the Debtor sought permission to use cash collateral for purposes of paying \$4,200 of adequate protection to Greenwich.

On September 14, 2016 the Court held a hearing on the Lift Stay Motion and the Cash Collateral Motion and entered a scheduling order setting a trial on these matters for October 24, 2016. Subsequently, the parties resolved the Pending Motions, by agreeing that the Debtor would pay Greenwich \$4200 per month in adequate protection, file a plan of reorganization by January 2, 2017 and confirm a plan no later than March 1, 2017 (or as otherwise ordered by the Court). The terms of the resolution of the Lift Stay Motion are embodied in a Stipulated Order approved by the Court on November 22, 2016. (doc. #107.) The Debtor has made its first required adequate protection payment.

Accordingly, much of the time and effort in this case has been spent attempting to stabilize the Debtor’s financial condition in the face of litigation.

Additionally, the Debtor retained Green & Sklarz LLC as its bankruptcy counsel. Green & Sklarz LLC has discounted its fees by 50%, given the Church’s important role in the New Haven community and its charitable and religious missions.

#### **E. Summary of the Debtor’s Plan of Reorganization**

Since the Petition Date, Reverend Brewer has been successful in increasing donations to the Debtor. As of November 30, 2016, the Church has received over \$68,000 in tithes and/or offerings since the Petition Date. In addition, members of the Church have established a mortgage support fund, The 285 Mortgage Group, LLC (the “Support Fund”), which was established to ensure that the Church has sufficient financial wherewithal to service a new mortgage on the Church Property or meet obligations under the Plan.

On the Effective Date of the Plan, the Support Fund has pledged to donate all monies held by it to the Church and to continue raising money to support donations thereafter. As of October 31, 2016, the Support Fund had \$11,652.00 in cash-on-hand and had committed pledges of approximately \$6,000 per month.

##### **1. The Plan Proposes to Pay Allowed Secured Claims Against the Church Property in Full Over Ten Years**

Under the terms of the Plan, the Debtor proposes to pay the Allowed Secured Claims, whose Holders have Liens against the Church Property, over a 10-year period. The debts owed will be amortized using a 30-year amortization schedule with a balloon payment due at the end of 10 years. This will provide sufficient time for the Church to fully financially recover, provide the Church with manageable payments, and provide true secured creditors payment in full.

Contemporaneously with the filing of this Disclosure Statement, the Debtor has (or will)

commenced an action to determine the secured status and avoid certain unenforceable liens with respect to the Church Property and 260 Roydon pursuant to Bankruptcy Code § 506 (the “506 Action”). With respect to the Ramos and Kuharec Disputed Secured Claims, the Debtor has provided a settlement alternative within the Plan whereby Ramos and/or Kuharec may make a tax-deductible gift of their respective mortgages and debts to the Church, in lieu of seeking to enforce the mortgages or litigate the 506 Action. This alternative will provide the Debtor with certainty that these previously released mortgages have been released and will provide Ramos and/or Kuharec with a tax-deduction for any lost money or foregone interest.<sup>1</sup>

**a. Confirmation Refinance Alternative with Respect to Church Building**

At the present time the Debtor is attempting to fully refinance its secured debt on the Church Property. The Debtor has retained Peachstate Financial Services (“PFS”), a broker and investment banking firm specializing in placement of credit facilities, including mortgage banking, for religious and non-profit institutions. The Debtor has received positive feedback concerning refinancing, but is attempting to negotiate with prospective lenders to obtain a better interest rate structure. PFS is assisting the Debtor in its refinancing efforts. If the Debtor is able to conclude an acceptable refinance closing prior to the Effective Date, the Debtor reserves the right to payoff Allowed Secured Claims by making an election to do so no later than seven (7) days prior to the Confirmation Hearing scheduled for February 16, 2017 (the “Confirmation Refinance Alternative”).

If the Confirmation Refinance Alternative is elected, the Debtor will file with the Court such pleadings and other documents as are necessary to seek Court approval to undertake a refinance of the Church Property. The Debtor will request that the Court schedule a hearing to approve the Confirmation Refinance Alternative contemporaneously with the Confirmation Hearing.

**2. The Plan Proposes to Sell 260 Roydon**

The Debtor will seek, with BNY’s consent, to sell 260 Roydon to Bishop Charles Brewer, Jr. subject to a \$200,000 mortgage but, otherwise, free and clear of liens and claims (the “BNY Resolution”). In consideration, Bishop Brewer will pay the Bankruptcy Estate \$10,000 to facilitate the transaction. If BNY does not agree to the BNY Resolution, the Debtor will retain a real estate agent and sell 260 Roydon free and clear of liens pursuant to Bankruptcy Code § 363. The liens and claims will attach to the proceeds of said sale in the same order of priority as existed on the Petition Date. It appears from a title search of 260 Roydon that many unreleased or otherwise improper liens remain on the title of 260 Roydon. Thus, contemporaneously with the filing of the Plan, the Debtor has initiated the 506 Action to ensure that title to 260 Roydon is cleared and marketable.

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<sup>1</sup> The Debtor is a public charity qualified under § 501(c) of the Internal Revenue Code. However, Ramos and/or Kuharec should seek independent tax advice regarding this settlement alternative. Nothing herein constitutes tax advice or may be relied upon as such.



**3. Other Debts with Respect to Church Property**

The title search with respect to the Church Property reveals the following additional liens that the Debtor believes have been satisfied and should have been released: (1) the Greater New Haven WPCA, (2) Mark Mortgage Company, and (3) Ellen Rosenbilt (notice of lis pendens only). The Debtor will address the validity of these liens in the 506 Action.

The Church has certain minimal unsecured debts that will be paid in full over a three (3) year period. None of the general Unsecured Claims listed on Schedule E/F are disputed.

A copy of the title search of the Church Property has been attached hereto as Exhibit A.

**4. Other Debts with Respect to 260 Roydon**

The title search with respect to 260 Roydon reveals the following additional liens that the Debtor believes have been satisfied and should have been released: (1) PinnFund, USA, (2) RCD Credit Corp., (3) First Select Inc., (4) St. Raphael Hospital OP Med-I-Pak, (5) Claudia Libertin, MD, and (6) Greater New Haven WPCA. The Debtor will address the validity of these liens in the 506 Action.

A copy of the title search of 260 Roydon has been attached hereto as Exhibit B.

**III. PLAN VOTING INSTRUCTIONS AND PROCEDURES**

**A. Summary of the Plan**

Following is a summary of the manner in which the Claims and Interests will be classified and treated:

<b><u>Class</u></b>	<b><u>Eligible to Vote</u></b>	<b><u>Treatment</u></b>
Administrative Claims	No	Payment in full on Effective Date
Priority Claims	No	Payment in full on Effective Date
Priority Tax Claims	No	Payment over 60 months from Petition Date in regular monthly installments at statutory interest rate.
Class 1: Allowed Secured Claim of Greenwich Investors XLV REO, LLC (Church Property)	Yes	At the Debtor's election the Debtor may: (a) make payment of the arrearage owed to Greenwich over 120 months from the Effective Date, with interest, under a 30 year amortization schedule with all remaining interest and principal due 120 months after the Effective Date; or (b) payoff the Greenwich Allowed Secured Claim arrearage on the Effective Date in accordance with the Confirmation Refinance Alternative (in which case Class 1 is not entitled to vote)

<p>Class 2: Disputed Secured Claims of Greater New Haven WPCA (Church Property)</p>	<p>No</p>	<p>The Debtor will seek to have the Class 2 claims disallowed in their entirety and the related liens deemed unenforceable in the 506 Action. If the Class 2 claims become Allowed Claims, the Debtor shall pay the Class 2 Claims over 36 months following the Effective Date (or the date on which the Claims becomes Allowed Claims, whichever is later) in equal monthly installments, with interest at the statutory rate.</p>
<p>Class 3: Disputed Secured Claims of Mark Mortgage Company (Church Property)</p>	<p>No</p>	<p>The Debtor will seek to have the Class 3 claims disallowed in their entirety and the related liens deemed unenforceable in the 506 Action. If the Class 3 claims become Allowed Claims, at the Debtor's election, the Debtor may: (a) make payment of the Allowed Claim over 120 months from the Effective Date (or the date on which the Claims becomes Allowed Claims, whichever is later) with interest, under a 30 year amortization schedule with all remaining interest and principal due in the 120<sup>th</sup> month after the Effective Date; or (b) payoff the Allowed Claims on the Effective Date (or the date on which the Claims becomes Allowed Claims, whichever is later).</p>
<p>Class 4: Disputed Secured Claim of The Right Mortgage Company, Inc. and Edmund Ramos (Church Property)</p>	<p>Yes</p>	<p>The Debtor will seek to have the Class 4 claim disallowed in its entirety and the related liens deemed unenforceable in the 506 Action. If the Class 4 claim become an Allowed Claim, at the Debtor's election, the Debtor may: (a) make payment of the Allowed Claim over 120 months from the Effective Date (or the date on which the Claim becomes an Allowed Claim, whichever is later) with interest, under a 30 year amortization schedule with all remaining interest and principal due in the 120<sup>th</sup> month after the Effective Date; or (b) payoff the Allowed Claims on the Effective Date (or the date on which the Claim becomes Allowed Claims, whichever is later). <b>Settlement Alternative:</b> The Holder of the Class 4 Claim may make a charitable donation of the Class 4 Claim to the Debtor of all of the Holder's rights and privileges with respect to the Class 4 Claim. In exchange, the Debtor will treat the Class 4 Claim as an Allowed Claim.</p>
<p>Class 5: Disputed Secured</p>	<p>Yes</p>	<p>The Debtor will seek to have the Class 5 claim</p>

<p>Claim of The Right Mortgage Company, Inc. and Margaret Kuharec (Church Property)</p>		<p>disallowed in its entirety and the related liens deemed unenforceable in the 506 Action. If the Class 5 claim becomes an Allowed Claim, at the Debtor’s election, the Debtor may: (a) make payment of the Allowed Claim over 120 months from the Effective Date (or the date on which the Claim becomes an Allowed Claim, whichever is later) with interest, under a 30 year amortization schedule with all remaining interest and principal due in the 120<sup>th</sup> month after the Effective Date; or (b) payoff the Allowed Claim on the Effective Date (or the date on which the Claim becomes an Allowed Claim, whichever is later).</p> <p><b>Settlement Alternative:</b> The Holder of the Class 5 Claim may make a charitable donation of the Class 5 Claim to the Debtor of all of the Holder’s rights and privileges with respect to the Class 5 Claim. In exchange, the Debtor will treat the Class 5 Claim as an Allowed Claim.</p>
<p>Class 6: Allowed Secured Claims of Greater New Haven WPCA (260 Roydon)</p>	<p>No</p>	<p>Paid in full on Effective Date.</p>
<p>Class 7: Disputed Secured Claim of PinnFund USA (260 Roydon)</p>	<p>No</p>	<p>The Debtor will seek to have the Class 7 claim disallowed in their entirety and the related liens deemed unenforceable in the 506 Action. If the Class 7 claim becomes an Allowed Claim, the Holder will be paid their share of the 260 Roydon Closing Proceeds on the Closing Date, in accordance with their priority with respect to 260 Roydon. If the Class 7 Claim has not become an Allowed Claim prior to the 260 Roydon Closing Date, then the share of 260 Roydon Closing Proceeds payable to the Holder will be held in escrow until the Class 7 Claim is determined allowed or disallowed. To the extent any portion of the Class 7 Claim is treated as a General Unsecured Claim, it will be treated in accordance with Class 14.</p>
<p>Class 8: Disputed Secured Claim of RCD Credit Corp. (260 Roydon)</p>	<p>No</p>	<p>The Debtor will seek to have the Class 8 claim disallowed in its entirety and the related liens deemed unenforceable in the 506 Action. If the Class 8 claim becomes an Allowed Claim, the Holder will be paid their share of the 260 Roydon Closing Proceeds on the Closing Date,</p>

		in accordance with their priority with respect to 260 Roydon. If the Class 8 Claim has not become an Allowed Claim prior to the 260 Roydon Closing Date, then the share of 260 Roydon Closing Proceeds payable to the Holder will be held in escrow until the Class 8 Claim is determined allowed or disallowed. To the extent any portion of the Class 8 Claim is treated as a General Unsecured Claim, it will be treated in accordance with Class 14.
Class 9: Disputed Secured Claim of First Select Inc. (260 Roydon)	No	The Debtor will seek to have the Class 9 claim disallowed in its entirety and the related liens deemed unenforceable in the 506 Action. If the Class 9 claim becomes an Allowed Claim, the Holder will be paid their share of the 260 Roydon Closing Proceeds on the Closing Date, in accordance with their priority with respect to 260 Roydon. If the Class 9 Claim has not become an Allowed Claim prior to the 260 Roydon Closing Date, then the share of 260 Roydon Closing Proceeds payable to the Holder will be held in escrow until the Class 9 Claim is determined allowed or disallowed. To the extent any portion of the Class 9 Claim is treated as a General Unsecured Claim, it will be treated in accordance with Class 14.
Class 10: Disputed Secured Claim of St. Raphael Hospital OP Med-I-Pak (260 Roydon)	No	The Debtor will seek to have the Class 10 claim disallowed in its entirety and the related liens deemed unenforceable in the 506 Action. If the Class 10 claim becomes an Allowed Claim, the Holder will be paid their share of the 260 Roydon Closing Proceeds on the Closing Date, in accordance with their priority with respect to 260 Roydon. If Class 10 Claim has not become an Allowed Claim prior to the 260 Roydon Closing Date, then the share of 260 Roydon Closing Proceeds payable to the Holder will be held in escrow until the Class 10 Claim is determined allowed or disallowed. To the extent any portion of the Class 10 Claim is treated as a General Unsecured Claim, it will be treated in accordance with Class 14.
Class 11: Disputed Secured Claim of Claudia Libertin, MD (260 Roydon)	No	The Debtor will seek to have the Class 11 claim disallowed in its entirety and the related liens deemed unenforceable in the 506 Action. If the Class 11 claim becomes an Allowed Claim, the

		Holder will be paid their share of the 260 Roydon Closing Proceeds on the Closing Date, in accordance with their priority with respect to 260 Roydon. If the Class 11 Claim has not become an Allowed Claim prior to the 260 Roydon Closing Date, then the share of 260 Roydon Closing Proceeds payable to the Holder will be held in escrow until the Class 11 Claim is determined allowed or disallowed. To the extent any portion of the Class 11 Claim is treated as a General Unsecured Claim, it will be treated in accordance with Class 14.
Class 12: Secured Claim of Bank of New York Trust Co., N.A., successor trustee to JPMorgan Chase Bank, N.A., as original trustee for the MLMI SURF Trust Series 2005-BC3 (260 Roydon)	Yes	The Debtor will seek to sell 260 Roydon. Class 11 will be paid its share of the 260 Roydon Closing Proceeds on the 260 Roydon Closing Date, in accordance with its priority with respect to 260 Roydon. <b>BNY Resolution Alternative:</b> See § 5.15. If BNY consents to the BNY Resolution Alternative, the Debtor will sell 260 Roydon subject to a \$200,000 mortgage to Bishop Charles Brewer, Jr., who will pay the Estate \$10,000 to facilitate the transaction.
Class 13: Secured Claim of The United Illuminating Company (260 Roydon)	Yes	Class 13’s Lien will likely be “stripped off” and treated as a General Unsecured Claim. If the Class 13 Claim is treated as Secured Claim, Class 13 will be paid its share of the 260 Roydon Closing Proceeds on the Closing Date, in accordance with its priority with respect to 260 Roydon.
Class 14: General Unsecured Creditors	Yes	Allowed General Unsecured Claims will be paid, in full, in equal monthly installments over 36 months from the Effective Date, with interest at the Prime Rate as of the Confirmation Date, plus 1%.
Class 15: Interests	No – deemed to accept	The Church is a Connecticut non-stock corporation. The Interests will remain unimpaired.

**B. Unclassified Claims**

Administrative Claims. Except as otherwise set forth in this Plan, each holder of an Allowed Administrative Claim shall be paid in Available Cash in full with interest at the Applicable Rate on the Distribute Date. The aggregate amount of any Contested Administrative Claims as of the Distribution Date shall be set aside by the Debtor in the Contested Administrative Claim Reserve, subject to estimation by the Debtor. Contested Administrative

Claims that are thereafter Allowed shall be paid from the Contested Administrative Claim Reserve. *The Debtor does not believe there are any Section 503(b)(9)-type claims.*

Priority Claims. Except as otherwise set forth in this Plan, each holder of an Allowed Priority Claim shall be paid in Available Cash in full with interest at the Applicable Rate on the Effective Date. Priority Tax Claims, if not paid on Effective Date of the Plan, will be paid in full within 5 years of the Petition Date with interest at the relevant statutory rate in effect on the Effective Date of the Plan.

### C. Classification of Claims

All Claims against and Membership Interests in the Debtor of whatever nature, whether or not Scheduled, liquidated or unliquidated, absolute or contingent, disputed or undisputed, including all Claims arising from the rejection of executory contracts, shall be subject to the provisions of this Plan. Pursuant to section 1123(a)(1) of the Bankruptcy Code, Administrative Claims are treated in Article II of the Plan. This case was not commenced upon the filing of an involuntary petition and therefore there are no Claims of the type provided for in section 502(f) of the Bankruptcy Code. All Claims other than Administrative Claims and Priority Tax Claims are classified below.

The following represents the amount of each Claim based on the Debtor's books and records as of the Petition Date or a Proof of Claim filed by the Creditor or Interest Holder:

- 3.1. Class 1: Allowed Secured Claim of Greenwich Investors XLV REO, LLC (Church Property)
  - 3.1.1. Amount of Claim: \$837,819.90
  - 3.1.2. Impairment and Voting: Impaired and entitled to vote; *provided however*, if the Debtor elects the Confirmation Refinance Alternative, this class is unimpaired, not entitled to vote and deemed to accept the Plan.
- 3.2. Class 2: Disputed Secured Claims of Greater New Haven WPCA (Church Property)
  - 3.2.1. Amount of Claim: \$2,143.00 (based on records from New Haven Land Records)
  - 3.2.2. Impairment and Voting: Impaired and not entitled to vote. The Claims of this class are disputed and the Debtor believes the liens should have been released and the claim should be valued at \$0.00. Therefore, this class is not entitled to vote. Pursuant to Fed. R. Bankr. P. 3018(a), the Holder may seek estimation of the claim for voting purposes.
- 3.3. Class 3: Disputed Secured Claims of Mark Mortgage Company (Church Property)
  - 3.3.1. Amount of Claim: Unknown.

- 3.3.2. Impairment and Voting: Impaired and not entitled to vote. The Claims of this class are disputed and the Debtor believes the liens should have been released and the claim should be valued at \$0.00. Therefore, this class is not entitled to vote. Pursuant to Fed. R. Bankr. P. 3018(a), the Holder may seek estimation of the claim for voting purposes.
- 3.4. Class 4: Disputed Secured Claim of The Right Mortgage Company, Inc. and Edmund Ramos (Church Property)
  - 3.4.1. Amount of Claim: \$110,800.00
  - 3.4.2. Impairment and Voting: Impaired and not entitled to vote. The Claims of this class are disputed and the Debtor believes the liens should have been released and the claim should be valued at \$0.00. However, this Class shall be provisionally entitled to vote.
- 3.5. Class 5: Disputed Secured Claim of The Right Mortgage Company, Inc. and Margaret Kuharec (Church Property)
  - 3.5.1. Amount of Claim: \$378,000.00
  - 3.5.2. Impairment and Voting: Impaired and not entitled to vote. The Claims of this class are disputed and the Debtor believes the liens should have been released and the claim should be valued at \$0.00. However, this Class shall be provisionally entitled to vote.
- 3.6. Class 6: Allowed Secured Claims of Greater New Haven WPCA (260 Roydon)
  - 3.6.1. Amount of Claim: \$2216.50
  - 3.6.2. Impairment and Voting: Unimpaired, not entitled to vote.
- 3.7. Class 7: Disputed Secured Claim of PinnFund USA (260 Roydon)
  - 3.7.1. Amount of Claim: Unknown
  - 3.7.2. Impairment and Voting: Impaired and not entitled to vote. The Claims of this class are disputed and the Debtor believes the liens should have been released and the claim should be valued at \$0.00. Therefore, this class is not entitled to vote. Pursuant to Fed. R. Bankr. P. 3018(a), the Holder may seek estimation of the claim for voting purposes.
- 3.8. Class 8: Disputed Secured Claim of RCD Credit Corp. (260 Roydon)
  - 3.8.1. Amount of Claim: Unknown
  - 3.8.2. Impairment and Voting: Impaired and not entitled to vote. The Claims of this class are disputed and the Debtor believes the liens should have been

released and the claim should be valued at \$0.00. Therefore, this class is not entitled to vote. Pursuant to Fed. R. Bankr. P. 3018(a), the Holder may seek estimation of the claim for voting purposes.

3.9. Class 9: Disputed Secured Claim of First Select Inc. (260 Roydon)

3.9.1. Amount of Claim: Unknown

3.9.2. Impairment and Voting: Impaired and not entitled to vote. The Claims of this class are disputed and the Debtor believes the liens should have been released and the claim should be valued at \$0.00. Therefore, this class is not entitled to vote. Pursuant to Fed. R. Bankr. P. 3018(a), the Holder may seek estimation of the claim for voting purposes.

3.10. Class 10: Disputed Secured Claim of St. Raphael Hospital OP Med-I-Pak (260 Roydon)

3.10.1. Amount of Claim: Unknown

3.10.2. Impairment and Voting: Impaired and not entitled to vote. The Claims of this class are disputed and the Debtor believes the liens should have been released and the claim should be valued at \$0.00. Therefore, this class is not entitled to vote. Pursuant to Fed. R. Bankr. P. 3018(a), the Holder may seek estimation of the claim for voting purposes.

3.11. Class 11: Disputed Secured Claim of Claudia Libertin, MD (260 Roydon)

3.11.1. Amount of Claim: Unknown

3.11.2. Impairment and Voting: Impaired and not entitled to vote. The Claims of this class are disputed and the Debtor believes the liens should have been released and the claim should be valued at \$0.00. Therefore, this class is not entitled to vote. Pursuant to Fed. R. Bankr. P. 3018(a), the Holder may seek estimation of the claim for voting purposes.

3.12. Class 12: Secured Claim of Bank of New York Trust Co., N.A., successor trustee to JPMorgan Chase Bank, N.A., as original trustee for the MLMI SURF Trust Series 2005-BC3 (260 Roydon)

3.12.1. Amount of Claim: \$414,104.25

3.12.2. Impairment and Voting: Impaired and entitled to vote.

3.13. Class 13: Secured Claim of The United Illuminating Company (260 Roydon)

3.13.1. Amount of Claim: \$59,695.25

3.13.2. Impairment and Voting: Impaired and entitled to vote.



3.14. Class 14: General Unsecured Creditors

3.14.1. Amount of Claim: \$27,461 (The Class 13 Claim, if allowed as a General Unsecured Claim, would increase the amount of General Unsecured Claims to \$86,498)

3.14.2. Impairment and Voting: Impaired and entitled to vote.

3.15. Class 15: Interests

3.15.1. Amount of Claim: N/A

3.15.2. Impairment and Voting: Unimpaired and deemed to accept.

#### IV. VOTING AND PROCEDURE

##### A. Voting and Acceptance of the Plan.

The Bankruptcy Court has scheduled a hearing to be held on **February 16, 2017** to consider confirmation of the Plan.

##### B. Confirmation of the Plan.

In order to confirm the Plan, the Bankruptcy Code requires that the Bankruptcy Court make a series of determinations concerning the Plan, including that (a) the Plan has classified Claims and Interests in a permissible manner; (b) the Plan complies with the technical requirements of Chapter 11 of the Bankruptcy Code; (c) the Debtor proposed the Plan in good faith; and (d) the Debtor's disclosures as required by Chapter 11 of the Bankruptcy Code have been adequate and have included information concerning all payments made or promised in connection with the Plan. The Debtor believes that all of these conditions will have been met by the date set for the Confirmation Hearing and will seek rulings from the Bankruptcy Court to such effect at the Confirmation Hearing.

The following summarizes some, but not all, of the pertinent requirements of section 1129 of the Bankruptcy Code:

Classification of Claims and Interests. The Bankruptcy Code requires that a Chapter 11 plan place each creditor's claim and each interest holder's interest in a class with other claims and interests that are "substantially similar."

Acceptance by Impaired Class. Each Class of Allowed Claims and each Class of Interests must either vote to accept the Plan or be deemed to accept the Plan on the Ballot provided. Ballots must be returned by \_\_\_\_\_, 2017 at 5:00 PM (prevailing Eastern Time).

A class of claims has accepted a plan if such plan has been accepted by creditors that

hold at least two-thirds (2/3rd) in amount and more than one-half (1/2) in number of the allowed claims of such class held by creditors. A class of interests has accepted the Plan if at least two-thirds (2/3rds) in amount of the allowed interests of such class held by holders of such interests, accepts the Plan.

Feasibility. The Bankruptcy Court is required to find that the Plan is likely to be implemented and that parties required to perform or pay monies under the Plan will be able to do so.

“Best Interest” Test. The Bankruptcy Court must find that the Plan is in the “best interest” of all Creditors. To satisfy this requirement, the Bankruptcy Court must determine that each holder of an Allowed Claim against, or Interest in, the Debtor: (i) has accepted the Plan; or (ii) will receive or retain under the Plan money or other property which, as of the Effective Date, has a value not less than the amount such holder would receive if the Debtor’s property was liquidated under Chapter 7 of the Bankruptcy Code on such date.

Procedure. To confirm the Plan, the Bankruptcy Court must hold a hearing to determine whether the Plan meets the requirements of section 1129 of the Bankruptcy Code (the “Confirmation Hearing”).

Objection to Confirmation. Any party-in-interest may object to the Confirmation of the Plan and appear at the Confirmation Hearing to pursue such objection. The Bankruptcy Court has set \_\_\_\_\_, 2017 at 5:00 PM (prevailing Eastern Time) as the deadline for filing and serving upon the Debtor and Debtor’s counsel objections to Confirmation of the Plan.

### **C. Effective Date Payment Option**

At the election of the Debtor, the Debtor may elect to pay all Allowed Class 1, 2, 3, 4 and/or 5 Claims in full on the Effective Date by filing a notice that it will make the Confirmation Refinance Alternative. The notice of Confirmation Refinance Alternative shall be made at least seven (7) calendar days prior to the Confirmation Hearing. If the Debtor makes the Confirmation Refinance Alternative election, Holders of Classes 1-5 shall be deemed to accept the Plan.

## **V. TREATMENT OF CLAIMS AND INTERESTS**

All Allowed Claims and Interests shall receive the following treatment under the Plan:

5.1 Administrative Claims: Allowed Administrative Claims shall be paid in full on the Effective Date of the Plan, unless (a) the Claim Holder accepts different treatment, (b) the Bankruptcy Code provides for different treatment, or (c) the Court determines otherwise. To the extent that an objection is raised to an Administrative Claim, the Debtor shall reserve and hold in escrow the full amount of the Administrative Claim until the Court determines the validity, nature and extent of the Allowed portion of any Administrative Claims.

5.1.1 Section 503(b)(9) Claims: None.

5.2 U.S. Trustee Payments: In accordance with § 1129(a)(12) of the Bankruptcy 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; or as the Court may so determine.

5.3 Priority Claims: Allowed Priority Claims shall be paid in full on the Effective Date of the Plan, unless (a) the Claim Holder accepts different treatment, (b) the Bankruptcy Code provides for different treatment (i.e. priority tax claims, see below Art. 4.3.1), or (c) the Court determines otherwise. To the extent that an objection is raised to a Priority Claim, the Debtor shall reserve and hold in escrow the full amount of the Priority Claim until the Court determines the validity, nature and extent of the Allowed portion of any Priority Claims.

5.3.1 Priority Tax Claims: Priority tax claims, if not paid on Effective Date of the Plan, will be paid in full within 5 years of the Petition Date with interest at the relevant statutory rate in effect on the Effective Date of the Plan.

5.4. Class 1: Allowed Secured Claim of Greenwich Investors XLV REO, LLC (Church Property): Class 1 consists of the Secured Claim of Greenwich Investors XLV REO, LLC. The Debtor does not contest that as of the Petition Date Greenwich was entitled to an Allowed Secured Claim of \$765,881.24, plus applicable interest at the contract rate since September 24, 2015 (the date of judgment in the Church Property foreclosure case). Should Greenwich seek inappropriate post-petition additions to Greenwich's debt, other than interest at the contract rate, Greenwich intends to object to such charges at the appropriate time.

5.4.1. Treatment of Allowed Portion of Claim: Unless the Debtor makes the Confirmation Refinance Alternative election on or before seven (7) days prior to the Confirmation Hearing, the Debtor shall pay Greenwich's Allowed Secured Claim over 120 months from the Effective Date, with interest, under a 30 year amortization schedule, in equal monthly installments, with all remaining interest and principal due in the 120<sup>th</sup> month after the Effective Date.

5.4.1.1. Projected Monthly Payment: \$4,969.83, assuming a debt of \$900,000 at a 5.25% interest rate. The balloon payment remaining at the end of the Plan term will be approximately \$735,791.40.

5.4.1.2. Retention of Lien Until Payment of Claim: Until the Allowed Class 1 Claim is paid in full, the Claim Holder shall retain its liens.

5.4.1.3. Modification of Terms of Credit Documents; Deceleration: Except as provided in this Plan, the credit documents concerning Greenwich's Claim shall remain in place, provided, however, that so long as the Debtor maintains its Plan payments, technical

default provisions as against the Debtor, or other claims of default as against the Debtor, that occurred prior to the Petition Date shall be decelerated and of no force and/or effect. Within sixty (60) days following the Effective Date, Greenwich shall withdraw any pending lawsuits or other claims filed against the Debtor in courts other than the Bankruptcy Court, without prejudice.

5.4.1.4. Payment Date: Payments under the Plan shall be made on or before the 28<sup>th</sup> day of each month commencing with the first full calendar month following the Effective Date. All payments are subject to any grace periods or other extensions (or limitations) as set forth in the pre-petition credit documents governing the relationship between the parties.

5.4.2. Confirmation Refinance Alternative Election: The Debtor is in the process of attempting to refinance the Church Property, which, if successful will result in the payment of Greenwich's Allowed Claim on the Effective Date. If on or before seven (7) days prior to the Confirmation Hearing, the Debtor notifies Creditors and Interest Holder by filing on the docket of the Chapter 11 Case a Notice of Election of Confirmation Refinance Alternative, the Debtor shall pay Greenwich's Allowed Secured Claim in full on the Effective Date. The Confirmation Date Alternative shall be subject to the following provisions:

5.4.2.1. Should any portion of Greenwich's Claim be subject to a dispute, the Debtor shall escrow, with First American Title Insurance Company ("FATIC"), or such other escrow agent as shall be agreed to between the parties, with the cost of such escrow paid by the Debtor, an amount sufficient to pay the contested amount in full upon determination of the amount and validity of the Disputed Claim or portion thereof. The Debtor shall file any proposed escrow agreement with the Court and shall seek Court approval to enter into any escrow agreement.

5.4.2.2. If Debtor makes the Confirmation Refinance Alternative election, Greenwich shall not be entitled to vote on the Plan and shall be deemed to accept the Plan.

5.4.2.3. Contemporaneous with the filing of a Notice of Election of Confirmation Refinance Alternative, the Debtor shall file such documents and pleadings as are required by Bankruptcy Code § 364 to obtain Court approval of the proposed refinance of the Church Property by the Debtor. Any refinance of the Church Property shall be subject to Court approval at the Confirmation Hearing.

5.4.3. Treatment of Adequate Protection Payments: Adequate Protection Payments made during the pendency of this Case shall be applied to

reduce Greenwich's Allowed Secured Claim as of the Effective Date, or as otherwise ordered by the Court.

5.5. Class 2: Disputed Secured Claims of Greater New Haven WPCA (Church Property): Class 2 consists of the Disputed Secured Claims of the Greater New Haven WPCA in the amount of \$2,143.00, plus applicable interest. This Claim was disputed and no proof of claim has been filed. The Debtor believes this Claim has been disallowed.

5.5.1. Treatment if Claim is Allowed: If these Claims become Allowed Claims, the Debtor shall pay these Claims over 36 months following the Effective Date (or the date on which the Claim becomes an Allowed Claim, whichever is later) in equal monthly installments, with interest.

5.5.2. Adversary Proceeding to Determine Validity and Amount of Claim: Contemporaneously with the filing of the Plan the Debtor has commenced the 506 Action to seek a determination that the Claims and Liens are invalid.

5.6. Class 3: Disputed Secured Claims of Mark Mortgage Company (Church Property): Class 3 consists of the Disputed Secured Claims of the Mark Mortgage Company. This Claim was disputed and no proof of claim has been filed. The Debtor believes this Claim has been disallowed.

5.6.1. Treatment if Claim 3 Claim is Allowed: If the Class 3 Claim becomes and Allowed Secured Claim, and unless the Debtor makes the Confirmation Refinance Alternative election on or before seven (7) days prior to the Confirmation Hearing, the Debtor shall pay Mark Mortgage Company's Allowed Secured Claim over 120 months from the Effective Date, with interest, under a 30 year amortization, in equal monthly installments, with all remaining interest and principal due in the 120<sup>th</sup> month after the Effective Date.

5.6.1.1. Retention of Lien Until Payment of Claim: Until the Allowed Class 3 Claim is paid in full, the Claim Holder shall retain its liens.

5.6.1.2. Modification of Terms of Credit Documents; Deceleration: Except as provided in this Plan, the credit documents concerning Mark Mortgage Co.'s Claim shall remain in place, provided, however, that so long as the Debtor maintains its Plan payments, technical default provisions as against the Debtor, or other claims of default as against the Debtor, that occurred prior to the Petition Date shall be decelerated and of no force and/or effect. Within sixty (60) days following the Effective Date, Mark Mortgage Co. shall withdraw any pending lawsuits or other claims filed against the Debtor in courts other than the Bankruptcy Court, without prejudice.

5.6.1.3. Payment Date: Payments under the Plan shall be made on or

before the 28<sup>th</sup> day of each month commencing with the first full calendar month following the Effective Date. All payments are subject to any grace periods or other extensions (or limitations) as set forth in the pre-petition credit documents governing the relationship between the parties.

5.6.1.4. Confirmation Refinance Alternative Election: If the Debtor makes the Confirmation Refinance Alternative election, the Debtor shall pay into escrow, with First American Title Insurance Company (“FATIC”), or such other escrow agent as shall be agreed to between the parties, with the cost of such escrow paid by the Debtor, the amount that would be due to Mark Mortgage Company pursuant to § 5.6.1, if anything, pending determination of the amount and validity of the Disputed Claim Mark Mortgage Company. Upon determination, the escrow shall terminate and the proceeds be distributed to Mark Mortgage Company or the Debtor in accordance with the further order of a court of proper jurisdiction.

5.6.2. Adversary Proceeding to Determine Validity and Amount of Claim: Contemporaneously with the filing of the Plan the Debtor has commenced the 506 Action to seek a determination that the Claims and Liens are invalid.

5.7. Class 4: Disputed Secured Claim of The Right Mortgage Company, Inc. and Edmund Ramos (Church Property): Class 4 consists of the Disputed Secured Claim of Right Mortgage Company and Edmund Ramos. The Debtor will seek to have the Class 4 claims disallowed in their entirety and the related liens deemed unenforceable in the 506 Action as the liens supporting the Class 4 Claims were released prior to the Petition Date as the Holder understood they were invalid. Said liens were refiled (also prior to the Petition Date). The Holder of the Class 4 Claim has filed a proof of claim (Claim #7) and shall be provisionally entitled to vote on the Plan.

5.7.1. Treatment of Class 4 Claim is Allowed: If the Class 4 Claim becomes an Allowed Secured Claim, and unless the Debtor makes the Confirmation Refinance Alternative election on or before seven (7) days prior to the Confirmation Hearing, the Debtor shall pay the Class 4 Allowed Secured Claim over 120 months from the Effective Date, with interest, under a 30 year amortization, in equal monthly installments, with all remaining interest and principal due in the 120<sup>th</sup> month after the Effective Date.

5.7.1.1. Retention of Lien Until Payment of Claim: Until the Allowed Class 4 Claim is paid in full, the Claim Holder shall retain its liens.

5.7.1.2. Modification of Terms of Credit Documents; Deceleration: Except as provided in this Plan, the credit documents

concerning the Class 4 Claim shall remain in place, provided, however, that so long as the Debtor maintains its Plan payments, technical default provisions as against the Debtor, or other claims of default as against the Debtor, that occurred prior to the Petition Date shall be decelerated and of no force and/or effect. Within sixty (60) days following the Effective Date, the Holder of the Class 4 Claim shall withdraw any pending lawsuits or other claims filed against the Debtor in courts other than the Bankruptcy Court, without prejudice.

5.7.1.3. Payment Date: Payments under the Plan shall be made on or before the 28<sup>th</sup> day of each month commencing with the first full calendar month following the Effective Date. All payments are subject to any grace periods or other extensions (or limitations) as set forth in the pre-petition credit documents governing the relationship between the parties.

5.7.1.4. Confirmation Refinance Alternative Election: If the Debtor makes the Confirmation Refinance Alternative election, the Debtor shall pay into escrow, with First American Title Insurance Company (“FATIC”), or such other escrow agent as shall be agreed to between the parties, with the cost of such escrow paid by the Debtor, the amount that would be due to Holder of the Class 4 any pursuant to § 5.7.1, if anything, pending determination of the amount and validity of the Disputed Class 4 Claim. Upon determination, the escrow shall terminate and the proceeds be distributed to Holder of the Class 4 Allowed Secured Claim or the Debtor in accordance with the further order of a court of proper jurisdiction.

5.7.2. Adversary Proceeding to Determine Validity and Amount of Claim: Contemporaneously with the filing of the Plan the Debtor has commenced the 506 Action to seek a determination that the Claims and Liens are invalid.

5.7.2.1. Settlement Alternative: Subject to Court approval, the Holder of the Class 4 Claim may make a charitable donation of the Class 4 Claim to the Debtor of all of the Holder’s rights and privileges with respect to the Class 4 Claim, in consideration and subject to Court approval, the Debtor will treat the Class 4 Claim as an Allowed Claim.

5.8. Class 5: Disputed Secured Claim of The Right Mortgage Company, Inc. and Margaret Kuharec (Church Property): Class 5 consists of the Disputed Secured Claim of Right Mortgage Company and Margaret Kuharec. The Debtor will seek to have the Class 5 claims disallowed in their entirety and the related liens deemed unenforceable in the 506 Action as the liens supporting the Class 5 Claims were released prior to the Petition Date as the Holder

understood they were invalid. Said liens were refiled (also prior to the Petition Date). The Holder of the Class 5 Claim has filed a proof of claim (Claim #5) and shall be provisionally entitled to vote on the Plan.

5.8.1. Treatment of Class 5 Claim is Allowed: If the Class 5 Claim becomes an Allowed Secured Claim, and unless the Debtor makes the Confirmation Refinance Alternative election on or before seven (7) days prior to the Confirmation Hearing, the Debtor shall pay the Class 5 Allowed Secured Claim over 120 months from the Effective Date, with interest, under a 30 year amortization, in equal monthly installments, with all remaining interest and principal due in the 120<sup>th</sup> month after the Effective Date.

5.8.1.1. Retention of Lien Until Payment of Claim: Until the Allowed Class 5 Claim is paid in full, the Claim Holder shall retain its liens.

5.8.1.2. Modification of Terms of Credit Documents; Deceleration: Except as provided in this Plan, the credit documents concerning the Class 5 Claim shall remain in place, provided, however, that so long as the Debtor maintains its Plan payments, technical default provisions as against the Debtor, or other claims of default as against the Debtor, that occurred prior to the Petition Date shall be decelerated and of no force and/or effect. Within sixty (60) days following the Effective Date, the Holder of the Class 5 Claim shall withdraw any pending lawsuits or other claims filed against the Debtor in courts other than the Bankruptcy Court, without prejudice.

5.8.1.3. Payment Date: Payments under the Plan shall be made on or before the 28<sup>th</sup> day of each month commencing with the first full calendar month following the Effective Date. All payments are subject to any grace periods or other extensions (or limitations) as set forth in the pre-petition credit documents governing the relationship between the parties.

5.8.1.4. Confirmation Refinance Alternative Election: If the Debtor makes the Confirmation Refinance Alternative election, the Debtor shall pay into escrow, with First American Title Insurance Company (“FATIC”), or such other escrow agent as shall be agreed to between the parties, with the cost of such escrow paid by the Debtor, the amount that would be due to Holder of the Class 5 Claim pursuant to § 5.8.1, if anything, pending determination of the amount and validity of the Disputed Class 5 Claim. Upon determination, the escrow shall terminate and the proceeds be distributed to Holder of the Class 5 Allowed Secured Claim or the Debtor in accordance with the further order of a court of proper jurisdiction.



5.8.2. Adversary Proceeding to Determine Validity and Amount of Claim: Contemporaneously with the filing of the Plan the Debtor has commenced the 506 Action to seek a determination that the Claims and Liens are invalid.

5.8.2.1. Settlement Alternative: The Holder of the Class 5 Claim may make a charitable donation of the Class 5 Claim to the Debtor of all of the Holder's rights and privileges with respect to the Class 5 Claim, in consideration and subject to Court approval, the Debtor will treat the Class 5 Claim as an Allowed Claim.

5.9. Class 6: Allowed Secured Claims of Greater New Haven WPCA (260 Roydon): Class 6 consists of the Allowed Secured Claims of Greater New Haven WPCA, concerning 260 Roydon. The Debtor shall pay the Class 6 Allowed Secured Claim in full on the Effective Date.

5.10. Class 7: Disputed Secured Claim of PinnFund USA (260 Roydon): Class 7 consists of the Disputed Secured Claims of PinnFund USA. This Claim was disputed and no proof of claim has been filed. The Debtor believes this Claim has been disallowed.

5.10.1. Treatment if Claim 7 Claim is Allowed: If the Class 7 Claim becomes an Allowed Secured Claim, the Debtor shall pay the Class 7 Allowed Secured Claim over 120 months from the Determination Date, with interest, under a 30 year amortization, in equal monthly installments, with all remaining interest and principal due in the 120<sup>th</sup> month after the Effective Date.

5.10.1.1. Retention of Lien Until Payment of Claim: Until the Allowed Class 7 Claim is paid in full, the Claim Holder shall retain its liens.

5.10.1.2. Modification of Terms of Credit Documents; Deceleration: Except as provided in this Plan, the credit documents concerning the Holder's Claim shall remain in place, provided, however, that so long as the Debtor maintains its Plan payments, technical default provisions as against the Debtor, or other claims of default as against the Debtor, that occurred prior to the Petition Date shall be decelerated and of no force and/or effect. Within sixty (60) days following the Determination Date, the Holder shall withdraw any pending lawsuits or other claims filed against the Debtor in courts other than the Bankruptcy Court, without prejudice.

5.10.1.3. Payment Date: Payments under the Plan shall be made on or before the 28<sup>th</sup> day of each month commencing with the first full calendar month following the Determination Date. All payments are subject to any grace periods or other extensions (or limitations) as set forth in the pre-petition credit documents

governing the relationship between the parties.

5.10.2. Adversary Proceeding to Determine Validity and Amount of Claim: Contemporaneously with the filing of the Plan the Debtor has commenced the 506 Action to seek a determination that the Claims and Liens are invalid.

5.11. Class 8: Disputed Secured Claim of RCD Credit Corp. (260 Roydon): Class 8 consists of the Disputed Secured Claims of RCD Credit Corp. This Claim was disputed and no proof of claim has been filed. The Debtor believes this Claim has been disallowed.

5.11.1. Treatment if Claim 8 Claim is Allowed: If the Class 8 Claim becomes an Allowed Secured Claim, the Debtor shall pay the Class 8 Allowed Secured Claim over 120 months from the Determination Date, with interest, under a 30 year amortization, in equal monthly installments, with all remaining interest and principal due in the 120<sup>th</sup> month after the Effective Date.

5.11.1.1. Retention of Lien Until Payment of Claim: Until the Allowed Class 8 Claim is paid in full, the Claim Holder shall retain its liens.

5.11.1.2. Modification of Terms of Credit Documents; Deceleration: Except as provided in this Plan, the credit documents concerning the Holder's Claim shall remain in place, provided, however, that so long as the Debtor maintains its Plan payments, technical default provisions as against the Debtor, or other claims of default as against the Debtor, that occurred prior to the Petition Date shall be decelerated and of no force and/or effect. Within sixty (60) days following the Determination Date, the Holder shall withdraw any pending lawsuits or other claims filed against the Debtor in courts other than the Bankruptcy Court, without prejudice.

5.11.1.3. Payment Date: Payments under the Plan shall be made on or before the 28<sup>th</sup> day of each month commencing with the first full calendar month following the Determination Date. All payments are subject to any grace periods or other extensions (or limitations) as set forth in the pre-petition credit documents governing the relationship between the parties.

5.11.2. Adversary Proceeding to Determine Validity and Amount of Claim: Contemporaneously with the filing of the Plan the Debtor has commenced the 506 Action to seek a determination that the Claims and Liens are invalid.

5.12. Class 9: Disputed Secured Claim of First Select Inc. (260 Roydon): Class 9 consists of the Disputed Secured Claims of First Select Inc. This Claim was disputed and no proof of claim has been filed. The Debtor believes this Claim has been disallowed.

5.12.1. Treatment if Claim 9 Claim is Allowed: If the Class 9 Claim becomes an Allowed Secured Claim, the Debtor shall pay the Class 9 Allowed Secured Claim over 120 months from the Determination Date, with interest, under a 30 year amortization, in equal monthly installments, with all remaining interest and principal due in the 120<sup>th</sup> month after the Effective Date.

5.12.1.1. Retention of Lien Until Payment of Claim: Until the Allowed Class 9 Claim is paid in full, the Claim Holder shall retain its liens.

5.12.1.2. Modification of Terms of Credit Documents; Deceleration: Except as provided in this Plan, the credit documents concerning the Holder's Claim shall remain in place, provided, however, that so long as the Debtor maintains its Plan payments, technical default provisions as against the Debtor, or other claims of default as against the Debtor, that occurred prior to the Petition Date shall be decelerated and of no force and/or effect. Within sixty (60) days following the Determination Date, the Holder shall withdraw any pending lawsuits or other claims filed against the Debtor in courts other than the Bankruptcy Court, without prejudice.

5.12.1.3. Payment Date: Payments under the Plan shall be made on or before the 28<sup>th</sup> day of each month commencing with the first full calendar month following the Determination Date. All payments are subject to any grace periods or other extensions (or limitations) as set forth in the pre-petition credit documents governing the relationship between the parties.

5.12.2. Adversary Proceeding to Determine Validity and Amount of Claim: Contemporaneously with the filing of the Plan the Debtor has commenced the 506 Action to seek a determination that the Claims and Liens are invalid.

5.13. Class 10: Disputed Secured Claim of St. Raphael Hospital OP Med-I-Pak (260 Roydon): Class 10 consists of the Disputed Secured Claims of St. Raphael Hospital OP Medi-I-Pak. This Claim was disputed and no proof of claim has been filed. The Debtor believes this Claim has been disallowed.

5.13.1. Treatment if Claim 10 Claim is Allowed: If the Class 7 Claim becomes an Allowed Secured Claim, the Debtor shall pay the Class 10 Allowed Secured Claim over 120 months from the Determination Date, with interest, under a 30 year amortization, in equal monthly installments, with all remaining interest and principal due in the 120<sup>th</sup> month after the Effective Date.

5.13.1.1. Retention of Lien Until Payment of Claim: Until the Allowed Class 10 Claim is paid in full, the Claim Holder shall retain its

liens.

5.13.1.2. Modification of Terms of Credit Documents; Deceleration: Except as provided in this Plan, the credit documents concerning the Holder's Claim shall remain in place, provided, however, that so long as the Debtor maintains its Plan payments, technical default provisions as against the Debtor, or other claims of default as against the Debtor, that occurred prior to the Petition Date shall be decelerated and of no force and/or effect. Within sixty (60) days following the Determination Date, the Holder shall withdraw any pending lawsuits or other claims filed against the Debtor in courts other than the Bankruptcy Court, without prejudice.

5.13.1.3. Payment Date: Payments under the Plan shall be made on or before the 28<sup>th</sup> day of each month commencing with the first full calendar month following the Determination Date. All payments are subject to any grace periods or other extensions (or limitations) as set forth in the pre-petition credit documents governing the relationship between the parties.

5.13.2. Adversary Proceeding to Determine Validity and Amount of Claim: Contemporaneously with the filing of the Plan the Debtor has commenced the 506 Action to seek a determination that the Claims and Liens are invalid.

5.14. Class 11: Disputed Secured Claim of Claudia Libertin, MD (260 Roydon): Class 11 consists of the Disputed Secured Claims of Claudia Libertin, MD. This Claim was disputed and no proof of claim has been filed. The Debtor believes this Claim has been disallowed.

5.14.1. Treatment if Claim 11 Claim is Allowed: If the Class 11 Claim becomes an Allowed Secured Claim, the Debtor shall pay the Class 11 Allowed Secured Claim over 120 months from the Determination Date, with interest, under a 30 year amortization, in equal monthly installments, with all remaining interest and principal due in the 120<sup>th</sup> month after the Effective Date.

5.14.1.1. Retention of Lien Until Payment of Claim: Until the Allowed Class 10 Claim is paid in full, the Claim Holder shall retain its liens.

5.14.1.2. Modification of Terms of Credit Documents; Deceleration: Except as provided in this Plan, the credit documents concerning the Holder's Claim shall remain in place, provided, however, that so long as the Debtor maintains its Plan payments, technical default provisions as against the Debtor, or other claims of default as against the Debtor, that occurred prior to the Petition Date shall be decelerated and of no force

and/or effect. Within sixty (60) days following the Determination Date, the Holder shall withdraw any pending lawsuits or other claims filed against the Debtor in courts other than the Bankruptcy Court, without prejudice.

5.14.1.3. Payment Date: Payments under the Plan shall be made on or before the 28<sup>th</sup> day of each month commencing with the first full calendar month following the Determination Date. All payments are subject to any grace periods or other extensions (or limitations) as set forth in the pre-petition credit documents governing the relationship between the parties.

5.14.2. Adversary Proceeding to Determine Validity and Amount of Claim: Contemporaneously with the filing of the Plan the Debtor has commenced the 506 Action to seek a determination that the Claims and Liens are invalid.

5.15. Class 12: Secured Claim of Bank of New York Trust Co., N.A., successor trustee to JPMorgan Chase Bank, N.A., as original trustee for the MLMI SURF Trust Series 2005-BC3 (260 Roydon): Class 12 Consists of the Allowed Secured Claim of BNY in the alleged amount of \$414,104.25 (see Claim #6-1) as of the Petition Date.

5.15.1. Non-Recourse Obligation: The debt of BNY is a non-recourse debt as the Church is the title owner of the 260 Roydon Property, but did not sign a note with BNY; thus, BNY is not entitled to a General Unsecured Claim with respect to its deficiency and is not entitled to make an election under Bankruptcy Code § 1111(b).

5.15.2. Adversary Proceeding: Within the 506 Action the Debtor has requested that the Court, pursuant to Bankruptcy Code § 506, determine the value of the 260 Roydon Property and the validity and extent of the Liens against the 260 Roydon Property. The Debtor asserts that the fair market value of the Property is \$200,000 (as established by the BNY appraisal in the 260 Roydon Foreclosure Action). The Debtor has further requested that the Court determine that all Liens securing Claims junior to BNY's Liens be avoided pursuant to Bankruptcy Code § 506(d) and deemed to be General Unsecured Claims.

5.15.2.1. Reduction of BNY's Liens to Fair Market Value: Within the 506 Action the Debtor has requested that the Liens of BNY be reduced to the fair market value of the 260 Roydon Property, pursuant to Bankruptcy Code § 506(d).

5.15.3. BNY Resolution: The Debtor is currently in negotiations with BNY to sell the 260 Roydon Property to Bishop Charles Brewer, Jr., an insider of the Debtor who resides at the 260 Roydon Property for a sale price of \$200,000. If BNY agrees, as set forth herein, the Debtor will sell the 260

Roydon Property to Bishop Charles Brewer, Jr., pursuant to Bankruptcy Code § 363, free and clear of all claims and liens *other than* the BNY Mortgage, which shall be reduced to \$200,000 as set forth above.

5.15.3.1. Plan Supplement and 260 Roydon Resolution Documents: On or before seven (7) days prior to the Ballot Deadline, the Debtor shall file, in the form of a Plan supplement, all documents, if any, concerning the 260 Roydon Resolution and sale.

5.15.3.2. In order to facilitate the BNY Resolution, Bishop Charles Brewer, Jr. shall pay to the Estate the sum of Ten Thousand Dollars (\$10,000.00) on the Effective Date.

5.15.4. Treatment of Class 12 Claim Generally: If BNY and the Debtor are unable to conclude the BNY Resolution prior to fourteen (14) days prior to the Confirmation Hearing, on the Effective Date the Debtor shall list the 260 Roydon Property for sale with a real estate agent (whose retention shall be subject to Court approval) and market and sell the 260 Roydon Property according to ordinary and customary practices for the sale of residential real estate in New Haven County.

5.15.5. Implementation of Sale of 260 Roydon Property; Sale of Assets Free and Clear of Liens Pursuant to Section 363(b) and (f) of the Bankruptcy Code. The Sale of the 260 Roydon Property (pursuant to either §§ 5.15.2 or 5.15.3 of the Plan) shall be free and clear of claims and liens in accordance with Section 363(b) and (f) of the Bankruptcy Code.

- a. The Debtor is hereby authorized and directed to take any and all actions reasonably necessary or appropriate to: (i) consummate both the sale of the 260 Roydon Property (the “Sale”); (ii) retain an appropriate broker (subject to Court approval) to market and sell the 260 Roydon Property; (iii) perform, consummate, implement and fully close the transactions contemplated and reasonably necessary to sell the Property; and (iv) to draft and execute any and all additional instruments and documents that may be reasonably necessary or desirable to sell the Property.
- b. Upon the closing of a sale of the 260 Roydon Property, the 260 Roydon Property and all personalty, fixtures, and other assets transferred, sold, and delivered to buyer (collectively, the “Assets”) shall be free and clear of all encumbrances, obligations, liabilities, contractual

commitments, claims (including, without limitation, any theory of successor liability, de facto merger, or substantial continuity, whether based in law or equity), employee benefit obligations, any security interest, mortgage, lien, charge against or interest in property, adverse claim, claim of possession, right of way, license, easement or restriction of any kind (including, but not limited to, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership or any option to purchase), option, charge, or retention agreement that is intended as security or other matters, of any person or entity, that encumber or relate to or purport to encumber or relate to the Assets.

- c. No buyer of the Assets shall be deemed a successor to the Debtor or its estate by reason of any theory of law or equity, and no buyer shall assume, or in any way be responsible for, any liability or obligation of the Debtor or its estate, except as expressly provided to the contrary in the documents and/or deed associated with an ultimate sale of the Assets (the "Sale Documents").
- d. Effective on the closing date of the sale of the Assets, except as otherwise expressly provided for in the Sale Documents, all entities (including, but not limited to, the trustees, creditors, employees, former employees and shareholders, administrative agencies, governmental departments, secretaries of state, federal, state and local officials), maintaining any authority relating to environmental laws, and their respective successors or assigns, shall be permanently and forever barred, restrained and enjoined from commencing or continuing in any manner any action or other proceeding of any kind against the buyer as alleged successor or otherwise with respect to any interests arising out of or related to the Sale of the Assets.
- e. Each and every term and provision of the Sale Documents, together with the terms and provisions of the Confirmation Order, shall be binding in all respects upon the Debtor, its estate, its creditors, all other entities and third parties, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, maintaining any authority relating to environmental laws, and their respective successors or assigns, including, but not limited to all non-debtor parties to the assumed

contracts that may be assigned to any buyer under the Sale Documents and persons asserting any interest against or interest in the Debtor, its estate, or any of the Assets to be sold to any buyer, irrespective of any action commenced that contests the Debtor's authority to sell and assign the Assets or that seeks to enjoin such Sale or assignment.

- f. Except as otherwise expressly provided for in the Sale Documents, all entities holding interests of any kind and nature are hereby barred from asserting such interests against the buyer of the Assets or the Assets.
- g. Effective upon the transfer of the Assets to a buyer of the Assets at the closing, the interests of any claim holders or lien holders shall attach to the proceeds of the sale with the same force, validity, priority and effect, if any, as the interests formerly held against the Assets. The Plan, the Confirmation Order and the provisions contained therein, shall be effective as a determination that, upon closing, all interests existing as to the Assets conveyed to any buyer have been and hereby are adjudged and declared to be unconditionally released, discharged and terminated, and (b) shall be binding upon and govern the acts of all entities (including all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies or units, governmental departments or units, secretaries of state, federal, state and local officials and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Assets conveyed to any buyer), such that all interests of record as of the date of the Confirmation Order shall be forthwith removed and stricken as against the Assets. **The following entities are authorized and specifically directed to strike all such recorded interests against the Assets from their records and any public record (including the New Haven Connecticut Land Records and Office of the Secretary of the State):** (i) PinnFund, USA, (ii) RCD Credit Corp., (iii) First Select Inc., (iv) St. Raphael Hospital OP Med-I-Pak, (v) Claudia Libertin, MD, and (vi) Greater New Haven WPCA. If any person or entity that has filed statements or other documents or agreements evidencing interests on, or interests in, the Assets shall not have delivered to the



Debtor (prior to the closing, in a form that is proper for filing and which has been properly executed as a release or termination of such interests, in proper form for filing and executed by the appropriate parties), termination statements, instruments of satisfaction, releases of interests and easements, and any other documents necessary for the purpose of documenting the release or termination of all interests that the person or entity has or may assert with respect to the Assets, the Debtor is hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of such person or entity with respect to the Assets.

- h. Any and all Assets that are in the possession or control of any person or entity (including, without limitation, any former vendor, supplier or employee of the Debtor) (a) shall be transferred to any buyer free and clear of the interests and (b) shall be delivered at the closing on the Assets to any buyer unless, pursuant to the Sale Documents, such person, entity, vendor, supplier or employee may retain temporary possession or control of any of such assets, in which case the possession of such item shall be delivered to any buyer at such time and place as the buyer may, in its discretion, designate.
- i. No bulk sales law or any similar law of any state or other jurisdiction shall apply in any way to a sale of the Assets.
- j. The Assets shall have a minimum sale price of \$210,000, provided however, the Debtor may seek leave of Court to reduce the sale price below \$210,000.

5.16. Class 13: Disputed Secured Claim of The United Illuminating Company (260 Roydon):

5.16.1. Treatment of Secured Portion of Claim: As set forth in the 506 Action the Debtor has requested that the Court determine the nature, validity and extent of Class 13's Lien in the 260 Roydon Property. The Debtor believes that the Class 13 Claim is properly treated as a General Unsecured Claim. However, to the extent that Class 13's Lien is not "stripped off," in full satisfaction and discharge of its Allowed Secured Claim, as determined by the Court, this Class shall receive payment in the amount determined by the Court, with interest in the amount of the contract rate of interest as set forth in the note and mortgage, in equal monthly payments commencing on the 28th calendar day of the calendar following the Effective Date, on a thirty year amortization schedule with a final payment of the balance due on the 28th day of the month that is 120

months after the Effective Date.

5.16.2. Treatment of Unsecured Portion of Class 13 Claim: The Class 13 Claim is a non-recourse obligation as to the Debtor as the electrical services were billed to Charles Brewer, Jr. individually. Accordingly, should the Lien securing the Class 13 Claim be “stripped off”, Class 13 is not entitled to a General Unsecured Claim. However, to the extent that the Court determines that any and/or all of this Claim is an Allowed Unsecured Claim, said portion shall be treated as a Class 14 General Unsecured Claim.

5.16.3. Retention of Lien Until Payment of Claim: Until the Allowed Secured Claim is paid in full (if not stripped off), the Claim Holder shall retain its liens.

5.17. Class 14: General Unsecured Creditors: Class 14 (General Unsecured Claims) will be paid (a) if the Class 13 Claim is Disallowed, One Hundred percent (100%), or (b) if the Class 13 Claim is Allowed as a General Unsecured Claim Fifty Nine percent (59%), of the amount of the Claim Holder’s Allowed Unsecured Claim, with interest at the rate of five and one-quarter percent (5.25%) simple interest per annum, in equal monthly installment over the thirty-six month (36) following the Effective Date of the Plan, with payments commencing on the 28th day of the first full calendar month following Effective Date. The Debtor shall retain the right to payoff the amount due to any Class 14 Claim Holder at any time.

5.18. Class 15: Interests: The Debtor as a Connecticut non-stock corporation shall retain in full all current Interests.

## VI. IMPLEMENTATION OF THE PLAN

6.1 Means for Funding the Plan. The Debtor intends to use operating income (donations to the Church, etc.), contributions from the Support Fund, grants, and rental income to fund the Plan. As set forth above, the Debtor is actively seeking to refinance the Church Property and will use proceeds from a successful refinance to fund the Plan. Additionally, if BNY accepts the BNY Resolution, the Debtor will use the proceeds therefrom (\$10,000) to fund the Plan.

6.1.1 Plan Supplements; Documents Concerning Confirmation Refinance Alternative: The Debtor shall file such plan supplements and additional documents to implement the procedures set forth in Article 5 of the Plan not later than seven (7) days prior to the Ballot Deadline, unless specifically otherwise stated (i.e. with respect to the Confirmation Refinance Alternative).

6.1.2 Plan Funding Analysis. Attached hereto as Exhibit C is an analysis describing how the Debtor intends to fund the Plan. *Note*, the analysis assumes that certain Disputed Claims will be Disallowed, given that the Claims were scheduled as Disputed and no proof of claim was filed.

6.2 Retention of Claims and Causes of Action and Reservation of Right to Object to Claims and Liens. The Debtor shall retain all of its pre-Confirmation Causes of Action against all Entities, including, but not limited to, the Retained Actions. The Debtor also reserves the right to review, and if it deems appropriate, contest, challenge or otherwise object to any Claim and/or Lien at any time including after the Confirmation Date.

6.3 Exclusivity Period. The Debtor will retain exclusive right to amend or modify the Plan in accordance with the terms hereof, and to solicit any amendment to or modification of the Plan, through and until the Effective Date.

6.4 Exemption from Certain Transfer Taxes and Recording Fees. Pursuant to Section 1146(c) of the Bankruptcy Code, any transfers from the Debtor or to any other Person or Entity pursuant to the Plan will not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment, and the Confirmation Order will direct the appropriate state, local, federal, or foreign government officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

6.5 Post-Confirmation Management of the Debtor: The post-confirmation Debtor shall be managed by its Board of Directors and Officers. The President of the Debtor is Reverend Charles Brewer, III.

6.6 Preferential and Fraudulent Transfer Analysis: A preference is a transfer made by the Debtor to or for the benefit of a Creditor on behalf of an antecedent debt made within ninety (90) days of the Petition Date or within one (1) year of the Petition Date if such transfer was made to an insider (as defined in section 101(31) of the Bankruptcy Code), made when the Debtor was insolvent and enabling such Creditor to receive more than the Creditor would receive in liquidation. *The Debtor is unaware of any preferential transfers. The Debtor does not believe that it has any claim for fraudulent transfers.*

## VII. TREATMENT OF EXECUTORY CONTRACTS

7.1 General Treatment. Except as otherwise expressly provided, all executory contracts shall be assumed and upon entry of the Confirmation Order, except as follows: **None.**

7.2 Bar to Rejection Damages. If the rejection of an executory contract by the Debtor results in damages to the other party or parties to such contract, a Claim for such damages, if not previously evidenced by a filed proof of Claim or barred by a Final Order, shall be forever barred and shall not be enforceable against the Debtor, or its Property or agents, successors, or assigns, unless a proof of Claim relating thereto is filed with the Bankruptcy Court within thirty (30) days after the later of (i) the entry of a Final Order authorizing such rejection or (ii) the Confirmation Date, or within such shorter period as may be ordered by the Bankruptcy Court or as set forth herein.

## VIII. PROVISIONS GOVERNING DISTRIBUTIONS

8.1 Payments. Except as otherwise provided in this Plan or ordered by the Bankruptcy Court, all payments and distributions required under the Plan to Creditors and Entities holding Membership Interests in all Classes will be made on the Distribution Date in accordance with the terms of the Plan.

8.2 Unclaimed Distributions.

8.2.1 Monies sent by checks issued by or on behalf of the Debtor and sent to holders of Allowed Claims or other parties in interest pursuant to this Plan which are not honored or negotiated within thirty (30) days after issuance by the Debtor, shall be deemed unclaimed and any such funds shall be redistributed Pro-rata. Upon the expiration of such thirty day period, the Debtor's obligation and liability to any holder of an Allowed Claim or other party in interest whose check from the Debtor is not negotiated during such period or returned as undeliverable, shall be deemed satisfied in full and the Debtor and its attorneys, financial advisors, investment bankers, agents, employees, members, directors, officers and Affiliates shall be forever released and discharged from any and all liability or obligation whatsoever to that Creditor or party in interest. For purposes of this section, a check shall be conclusively deemed appropriately delivered to a Creditor or party in interest if it is sent by first Class, postage prepaid, mail or by Federal Express overnight delivery to the address of that Creditor or party in interest as set forth on the Schedules, the Proof of Claim register in the Chapter 11 Case, or the Debtor's books and records.

8.2.2 After Distributions Become Undeliverable. Undeliverable Cash shall not be entitled to any interest, dividends or other accruals of any kind. In such cases, any Property held for distribution on account of such Claims shall be redistributed by the Debtor as Additional Recoveries per Article 9.3 of the Plan. The Debtor shall not be required to attempt to locate any holder of an Allowed Claim.

8.3 Disbursing Agent. The Debtor shall disburse and make all distributions under the Plan from the Distribution Account.

8.4 Liquidation Analysis. See attached Exhibit D.

8.5 Financial Statements. A copy of the Debtor's most recent balance sheet is attached hereto as Exhibit E. A copy of the Debtor's most recent income statement is attached hereto as Exhibit F.

## IX. GENERAL PROVISIONS

9.1 Post-Confirmation Professional Fees. Professional fees and expenses incurred on or after the Confirmation Date shall not be subject to Bankruptcy Court approval and shall be paid by the Debtor in the ordinary course of business.

9.2 Additional Recoveries. If the Debtor obtains any additional recoveries as a result of any settlement or judgment of contingent litigation, or from any other source, then the proceeds of any recoveries shall be distributed in accordance with the terms of this Plan.

9.3 Post-Confirmation Actions. Nothing herein contained shall prevent the Debtor from taking such action as may be necessary to enforce any rights or prosecute any Cause of Action existing on its behalf, which may not have been heretofore enforced or prosecuted.

9.4 Governing Law. Unless an applicable rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules) or Connecticut General Statutes, the internal laws of the State of Connecticut shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, as well as any Causes of Action pending or to be brought in which the Debtor is a party.

9.5 Filing of Additional Documents. On or before the conclusion of the Confirmation Hearing, the Debtor shall file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

9.6 Severability. Should any provision in the Plan be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any other provisions of the Plan.

9.7 Notices. Any notice required or permitted to be provided to the Debtor shall be in writing and served by (a) certified mail, return receipt requested, (b) hand delivery, (c) overnight delivery service, (d) telecopier or facsimile (if applicable), or (e) electronic mail, to be addressed as follows:

If to the Debtor:

The Trinity Temple Church of God in Christ, Inc.  
Attn: Rev. Charles Brewer, III, President  
275 Dixwell Avenue  
New Haven, CT 06511  
T: (203) 868-5486  
E: chbrewer3@aol.com

With a copy to Debtor's counsel:

Green & Sklarz, LLC  
Attn: Jeffrey M. Sklarz, Esq.  
700 State Street, Suite 100  
New Haven, CT 06511  
T: (203) 285-8545

F: (203) 823-4546  
E: [jsklarz@gs-lawfirm.com](mailto:jsklarz@gs-lawfirm.com)

9.8 Payment of U.S. Trustee Fees. All fees payable to the United States Trustee pursuant to 28 U.S.C. § 1930 shall be paid when due until the closing of the Chapter 11 Case.

9.9 No Admission Against Error. Neither the filing of the Plan, the Disclosure Statement, nor any statement contained therein, shall be or be deemed an admission against interest by the Debtor. In the event the Plan is not consummated, neither the Plan, the Disclosure Statement nor any statement contained therein may be used or relied upon in any manner in any suit, action, proceeding or controversy within or outside the Bankruptcy Court involving the Debtor or its officers, directors, employees, members, attorneys, financial advisors, or investment bankers.

9.10 No Waiver. Nothing set forth in the Plan or Disclosure Statement shall be deemed a waiver or release of any claims, rights or Causes of Action against any Person other than the Debtor except as specifically set forth in the Plan.

9.11 Plan Modification. The Plan may be modified at any time after Confirmation and before its Substantial Consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under Section 1129 of the Bankruptcy Code. A holder of a Claim or Interest that has accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection by a writing filed with the Bankruptcy Court and served in accordance with Article 9.7 of the Plan.

9.12 Setoff Against Claims. The Debtor may set off against any Claim, and the payments made pursuant to the Plan in respect of such Claim, any claims or Causes of Action of any nature whatsoever that the Debtor may have against the holder of the Claim, but neither the failure to do so nor the allowance of such Claim shall constitute a waiver or release by the Debtor of any claims, rights, or Causes of Action against the holder of the Claim. Any payment in respect of a Disputed, unliquidated or contingent Claim shall be returned promptly to the Debtor in the event and to the extent such Claims are determined by the Bankruptcy Court not to be Allowed Claims. Confirmation of the Plan shall bar any right of setoff claimed by a Creditor unless such Creditor filed, prior to the Confirmation Date, a motion for relief from the automatic stay seeking the authority to effectuate such a setoff right.

9.13 Further Action. The Debtor is authorized to take any action necessary or appropriate to execute the provisions of the Plan.

9.14 Administrative Claims Bar Date. Any and all applications for the request for the final allowance of Administrative Claims incurred by professionals employed pursuant to sections 327 and 1103 of the Bankruptcy Code shall be filed with the Bankruptcy Court and served upon the Debtor and counsel to the Debtor and served in accordance with Article 9.7 of the Plan on the date set by the Court. Failure to file and serve timely such applications or

requests shall result in the disallowance of such applications or requests and they shall be barred forever.

9.15 Compliance with All Applicable Laws. If notified by any governmental authority that it is in violation of any applicable law, rule, regulation, or order of such governmental authority relating to its business or Property, the Debtor shall comply with such law, rule, regulation, or order; *provided, however*, that nothing contained herein shall require such compliance by the Debtor if the legality or applicability of any such requirement is being contested in good faith by the Debtor.

9.16 The Effective Date. The Plan will not be consummated or become binding unless and until the Effective Date occurs. The Effective Date will be the first Business Day of the first full calendar month following the Confirmation Date after the following conditions have been satisfied: (a) fourteen (14) days have passed since the Confirmation Date; (b) the Confirmation Order is not stayed; and (c) no material adverse effect has occurred with respect to the Property. A "Notice of Effective Date" shall be filed with the Court within three (3) Business Days after the Effective Date.

## **X. RETENTION OF JURISDICTION**

10.1 Continuing Jurisdiction. The Bankruptcy Court shall retain and have exclusive jurisdiction over the Chapter 11 Case for purposes (a) through (i) below, as well as for the purposes described in Article 5.1 of the Plan:

- (a) To determine any and all objections to and proceedings involving the allowance, estimation, Classification, and subordination of Claims or Interests;
- (b) To determine any and all applications for allowances of compensation and reimbursement of expenses and any other fees and expenses authorized to be paid or reimbursed under the Bankruptcy Code or the Plan;
- (c) To determine any application pending on the Effective Date for the rejection or assumption of executory contracts or for the assumption and assignment, as the case may be, of executory contracts to which the Debtor is a party or with respect to which the Debtor may be liable, and to hear and determine, and if need be, to liquidate, any and all Claims arising therefrom;
- (d) To determine any and all applications, adversary proceedings, and contested or litigated matters that may be pending in the Bankruptcy Court on the Effective Date;
- (e) To consider any modifications of the Plan, remedy any defect or omission or reconcile any inconsistency on any order of the Bankruptcy Court, including the Confirmation Order, to the extent authorized by the Bankruptcy Code;
- (f) To determine all controversies, suits, and disputes that may arise in connection with the interpretation, enforcement, or consummation of the Plan or obligations arising

thereunder, including the Retained Actions and/or any other adversary proceeding, lawsuit or other claim that the Debtor may pursue, be it a pre-petition post-petition or other claim that the Debtor owns or had owned as of the Petition Date (i.e. avoidance actions of any variety);

(g) To consider and act on the compromise and settlement of any Claim;

(h) To issue such orders in aid of execution of the Plan to the extent authorized by section 1142 of the Bankruptcy Code; and

(i) To determine such other matters as may be set forth in the Confirmation Order or which may arise in connection with the Plan or the Confirmation Order.

10.2 Nothing in this Article X shall constitute a waiver by the Debtor of its right to pursue Causes of Action including, but not limited to, the Retained Actions, against any Person in any court of competent jurisdiction other than the Bankruptcy Court.

## **XI. DISCHARGE**

### **11.1 Discharge and Retention of Property.**

(a) The Debtor shall receive a discharge on the Effective Date.

(b) Upon the Effective Date, all Property shall vest in the Debtor and shall remain property of the Estate until final distribution thereof.

(c) Pursuant to Section 1141(c) of the Bankruptcy Code, on the Effective Date the Property dealt with by the Plan shall become free and clear of all Liens, Claims, encumbrances, and interests of Creditors, including the right of setoff, except as otherwise provided for in the Plan or the Confirmation Order.

## **XII. EFFECT OF THE PLAN ON CLAIMS AND INTERESTS**

12.1 Compromises and Settlements. In accordance with the Plan, pursuant to Bankruptcy Rule 9019(a), without further order of the Bankruptcy Court, the Debtor may compromise and settle various (a) Claims against it and (b) Causes of Action that it may have against other Persons. The Debtor expressly reserves the right to compromise and settle Claims against it and claims and Causes of Action it may have against other Persons.

12.2 Exculpation and Limitation of Liability. In consideration for (i) the services provided during the Debtor's bankruptcy case, (ii) the services committed to be provided for the Reorganized Debtor, and (iii) the contributions to be made by the holders of Interests, the Debtor and his present and former attorneys, and any of their respective successors and assigns, shall not have or incur, and are hereby released from, any claim, obligation, Cause of Action, or liability to any Person (whether or not a party in interest to this Chapter 11 Case), for any act or omission in connection with, relating to, or arising out of the Chapter 11 Case, negotiation and filing of the Plan, filing the Chapter 11 Case, the pursuit of Confirmation, Consummation or Substantial



Consummation, and the administration of the Plan or the Property to be distributed under the Plan, except for their willful misconduct, gross negligence or malpractice, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

### **XIII. CONDITIONS PRECEDENT**

13.1 Conditions to Confirmation. The following are conditions precedent to Confirmation that may be satisfied or waived in accordance with Article 13.3 of the Plan:

- (a) The Bankruptcy Court shall have approved by Final Order the Disclosure Statement in form and substance acceptable to the Debtor; and
- (b) The Confirmation Order shall be in form and substance acceptable to the Debtor.

13.2 Conditions to Consummation. The Effective Date shall have occurred. The following are conditions precedent to the occurrence of the Effective Date, each of which may be satisfied or waived in accordance with Article 13.3 of the Plan:

- (a) The Confirmation Order shall have been entered;
- (b) The Confirmation Date shall have occurred; and
- (c) All other actions (including, but not limited to, those actions described in Article VI of the Plan), documents, consents and agreements necessary to implement the Plan shall have been effected, obtained and/or executed.

13.3 Waiver of Conditions to Confirmation or Consummation. The conditions set forth in Articles 13.1 and 13.2 of the Plan may be waived by the Debtor without any notice to other parties-in-interest or the Bankruptcy Court and without a hearing. The failure of the Debtor in its sole and absolute discretion to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

### **XIV. ALTERNATIVES TO THE PLAN**

Based upon the information available and known by the Debtor, the Debtor has concluded that, should the Plan *not* be confirmed, it is likely that claimholders would *not* receive Distributions. Accordingly, the Debtor believes that the Plan offers the best prospects of recovery for the holders of *all* Claims against and Interests in the Debtor.

### **XV. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN**

There should be no federal income tax consequences in connection with the distributions to Creditors under the Plan other than consequences normally attendant to payment of an obligation by a debtor to a creditor.

THE FOREGOING DESCRIPTION OF FEDERAL INCOME TAX CONSEQUENCES IS INTENDED MERELY AS AN AID FOR CREDITORS AND INTEREST HOLDERS AND NEITHER THE DEBTOR NOR ITS ATTORNEYS OR ITS FINANCIAL ADVISORS ASSUME ANY RESPONSIBILITY IN CONNECTION WITH THE INCOME TAX LIABILITY OF ANY CREDITOR OR HOLDER OF AN INTEREST. EACH HOLDER OF A CLAIM SHOULD CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE FOREIGN, FEDERAL, STATE, AND LOCAL TAX CONSEQUENCES OF THE PLAN.

#### **XVI. RECOMMENDATION**

It is the position of the Debtor that the Plan is substantially preferable to a liquidation under Chapter 7 of the Bankruptcy Code. Conversion of the Chapter 11 Case to a Chapter 7 proceeding would result in: (i) delays in the distribution of proceeds available under such alternative; (ii) increased administrative costs; and (iii) increased uncertainty as to whether any funds would be available to make any distributions because the Members of the Debtor would not be required to fund the Debtor's ongoing business activities if a Chapter 7 trustee were appointed.

**IN LIGHT OF THE FOREGOING, THE DEBTOR RECOMMENDS ACCEPTANCE AND CONFIRMATION OF THE PLAN.**

Dated: January 2, 2017

THE DEBTOR: The Trinity Temple Church of God  
in Christ, Inc.

By: /s/  
Charles H. Brewer, III  
Its President

By: /s/ Jeffrey M. Sklarz  
Jeffrey M. Sklarz (ct20938)  
Lauren McNair (ct30167)  
Green & Sklarz, LLC  
700 State Street, Suite 100  
New Haven, CT 06511  
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