

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF CONNECTICUT
BRIDGEPORT DIVISION**

-----X		
In re:	:	CHAPTER 11
	:	
PARKLANDS OFFICE PARK LLC,	:	CASE NO. 16-50425 (AMN)
	:	
Debtor	:	
-----X		

**AMENDED DISCLOSURE STATEMENT RELATING
TO DEBTOR'S PLAN OF REORGANIZATION
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT.

COUNSEL TO DEBTOR AND
DEBTOR-IN-POSSESSION
James Berman, Esq.
ZEISLER & ZEISLER, P.C.
10 Middle Street, 15th Floor
Bridgeport, CT 06604

I. INTRODUCTION

Parkland Office Park, LLC, Debtor and Debtor-in-Possession, (the “Debtor”) is soliciting acceptances of an amended chapter 11 plan of reorganization (the “Plan of Reorganization” or “Plan”) attached as Exhibit A to this Disclosure Statement. This solicitation is being conducted at this time to obtain sufficient votes to enable the Plan of Reorganization to be confirmed by the Bankruptcy Court. Capitalized terms used in this Disclosure Statement but not defined herein have the meanings ascribed to such terms in the Plan.

WHO IS ENTITLED TO VOTE: 110 Parklands (Class 1) and the holders of Allowed General Unsecured Claims (Class 2) are entitled to vote on the Plan. A ballot for the acceptance or rejection of the Plan is enclosed with the Disclosure Statement submitted to the holders of claims in these classes that are entitled to vote.

THE DEBTOR RECOMMENDS THAT CREDITORS IN CLASS 1 AND CLASS 2 VOTE TO ACCEPT THE PLAN. The Debtor’s legal advisor is Zeisler & Zeisler, PC. They can be contacted at:

James Berman, Esq.
ZEISLER & ZEISLER, PC
Attorneys for Debtor and
Debtor In Possession
10 Middle Street, 15th floor
Bridgeport, CT 06604
(203) 368-4234
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The following table summarizes the treatment of Claims and Equity Interests under the Plan.

II. SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS UNDER THE PLAN¹

<u>Class</u>	<u>Type of Claim or Equity Interest</u>	<u>Treatment</u>	<u>Approximate Allowed Amount</u>	<u>Approximate Percentage Recovery</u>
N/A	Administrative Expenses	Except to the extent that a holder of an Allowed Administrative Expense agrees to less favorable treatment, the Reorganized Debtor shall pay in full in Cash on the later of the Effective Date, when due in the ordinary course, or if a Bankruptcy Court order is required when the order allowing the payment becomes final.	\$ unknown	100%
N/A	Priority Tax Claims	Except to the extent that a holder of an Allowed Priority Tax Claim agrees to less favorable treatment, the Holder of any such Allowed Claim shall be paid in one of the following alternatives, at the option of the Debtor: (i) paid in full on the Effective Date or (ii) as determined by the Debtor over the statutory time period provided in § 1129(a)(9) plus interest calculated at the Interest Rate.	\$0.00	100%
1	110 Parklands LLC	110 Parklands Claim shall be treated as a Secured Claim in Class 1. To the extent Allowed, it shall be paid from the sale to LCB and, to the extent necessary, from the free cash flow generated by 3 Parklands. The Debtor estimates that \$11,000,000 will be paid from the sale in January 2017. 110 Parklands shall retain its lien on 1 Parklands until the sale to LCB is closed and on the Debtor's remaining property until 110 Parkland's Allowed Claim is paid in full with monthly payments of \$40,000 commencing on	\$11,000,000 to \$12,000,000	100%

¹ This table is only a summary of the classification and treatment of claims and equity interests under the Plan. Reference should be made to the entire Disclosure Statement and the Plan for a complete description of the classification and treatment of claims and equity interests.

<u>Class</u>	<u>Type of Claim or Equity Interest</u>	<u>Treatment</u>	<u>Approximate Allowed Amount</u>	<u>Approximate Percentage Recovery</u>
		the 20 th of the first month following the closing of the sale to LCB with an estimated commencement date of February 20, 2017. Any remaining balance on the Allowed Claim shall be paid no later than June 30, 2019. This Class is Impaired.		
2	General Unsecured Claims	Holders of General Unsecured Claims shall be paid their pro rata share of monthly payments of \$10,000 commencing on the 20 th of the first month following the sale to LCB with an estimated commencement date of February 20, 2017. Any remaining balances on Allowed Claims shall be paid in full no later than June 30, 2019. This Class is Impaired.	\$211,176.00	100%
3	Interests	Holders of Interests shall retain their Interests. This Class is Unimpaired.	N/A	N/A

A. Summary of Voting Procedures

If you are entitled to vote to accept or reject the Plan, a ballot is enclosed for voting purposes. Please vote and return your ballot(s) in accordance with the instructions set forth herein.

TO BE COUNTED, YOUR VOTE INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE PROPERLY COMPLETED IN ACCORDANCE WITH THE INSTRUCTIONS ON THE BALLOT, AND MUST BE ACTUALLY RECEIVED

BY THE DEBTORS' VOTING AGENT, ZEISLER & ZEISLER, PC, **NO LATER THAN 4:00 P.M., PREVAILING EASTERN TIME, ON [_____], 2016 (THE "VOTING DEADLINE")**. PLEASE RETURN YOUR PROPERLY COMPLETED BALLOT TO THE VOTING AGENT AT THE FOLLOWING ADDRESS:

ZEISLER & ZEISLER, PC
Attorneys for Debtor and Debtor In Possession
10 Middle Street, 15th floor
Bridgeport, CT 06604
(203) 368-4234
Attn: James Berman, Esq.

BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED. FAXED COPIES OF BALLOTS WILL NOT BE COUNTED.

A BALLOT THAT DOES NOT INDICATE EITHER ACCEPTANCE OR REJECTION OF THE PLAN WILL **NOT** BE COUNTED AS A VOTE TO ACCEPT THE PLAN. A BALLOT THAT INDICATES BOTH ACCEPTANCE AND REJECTION OF THE PLAN WILL **NOT** BE COUNTED AS A VOTE TO ACCEPT THE PLAN. **BALLOTS SHOULD NOT BE DELIVERED DIRECTLY TO THE DEBTOR OR THE COURT.**

If you are a holder of a Claim entitled to vote on the Plan and did not receive a ballot, received a damaged ballot, or lost your ballot, or if you have any questions concerning the procedures for voting on the Plan, please contact the Debtor's Voting Agent, ZEISLER & ZEISLER, PC, Attorneys for Debtor and Debtor In Possession, Attn: James Berman, Esq., 10 Middle Street, 15th floor, Bridgeport, CT 06604, (203) 368-4234.

SUMMARIES OF CERTAIN PROVISIONS OF DOCUMENTS REFERRED TO IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO, AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE FULL TEXT OF THE APPLICABLE DOCUMENT, INCLUDING THE DEFINITIONS OF TERMS CONTAINED IN SUCH DOCUMENT.

1). IF YOU HAVE THE FULL POWER TO VOTE 110 PARKLAND'S ALLOWED CLAIM (CLASS 1):

Please complete the information requested on the Ballot, sign, date, and indicate your vote on the Ballot, and return your completed Ballot in the enclosed pre-addressed envelope so that it is actually received by the Voting Agent before the Voting Deadline.

2). IF YOU HAVE THE FULL POWER TO VOTE ALLOWED GENERAL UNSECURED CLAIMS (CLASS 2):

Please complete the information requested on the Ballot, sign, date, and indicate your vote on the Ballot and return your completed Ballot in the enclosed pre-addressed envelope so that it is actually received by the Voting Agent before the Voting Deadline.

Any voter that has delivered a valid ballot may withdraw its vote by delivering a written notice of withdrawal to the Voting Agent before the Voting Deadline (as more fully described in Section V below, entitled “VOTING PROCEDURES AND REQUIREMENTS”).

Any holder that has delivered a valid ballot may change its vote by delivering to the Voting Agent a properly completed subsequent ballot so as to be received before the Voting Deadline (as more fully described in Section V below, entitled “VOTING PROCEDURES AND REQUIREMENTS”).

For detailed voting instructions, see the instructions on your ballot. For a further discussion of voting on the Plan, see Section V below, entitled “VOTING PROCEDURES AND REQUIREMENTS.”

B. Overview of Chapter 11 Process

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11 of the Bankruptcy Code, a debtor is authorized to reorganize its business for the benefit of itself and all economic parties in interest. In addition to permitting rehabilitation of a debtor, chapter 11 promotes equality of treatment of similarly situated claims and similarly situated equity interests with respect to the distribution of a debtor’s assets.

The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a “debtor in possession.”

The consummation of a plan of reorganization is the principal objective of a chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by the bankruptcy court makes the plan binding upon a debtor, any issuer of securities under the plan, any person acquiring property under the plan and any creditor of, or holder of an equity interest in, a debtor. Subject to certain limited exceptions, the confirmation order discharges a debtor from any debt that arose prior to the date of confirmation of the plan and substitutes therefore the obligations specified under the confirmed plan.

In order to solicit acceptances of a proposed plan, § 1126 of the Bankruptcy Code requires a debtor and any other plan proponent to conduct such solicitation, pursuant to a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. The Debtor is submitting this Disclosure Statement in accordance with the Disclosure Statement Order and the requirements of §§ 1125 and 1126 of the Bankruptcy Code.

III.

DESCRIPTION OF THE BUSINESS

A. Description of Debtor's Business

The Debtor owns and operates real property located in Darien, Connecticut consisting of two office buildings. The first building, known as 1 Parklands, is subject to a purchase and sale to LCB for \$12,000,000.00. That building is currently vacant, and the Debtor is in the process of obtaining the approvals necessary to convert it to an assisted living facility, which approvals are necessary for the sale to LCB. (The zoning and text changes have been approved since the filing of the Case). The Debtor had determined prior to the filing that the highest and best use for 1 Parklands was not as an office building. The second building, known as 3 Parklands, is an office building which is 92.5% leased. The gross rent approximates \$80,000.00 per month. The Debtor estimates that the total value of its real estate, taking into account the sale price to LCB, approximates \$17,500,000.00. The predecessor in interest to 110 Parklands had appraised the Debtor's property on an "as is" basis at \$10,300,000.00, but the appraisal did not, among other things, consider the value of 1 Parklands as an assisted living facility or appraise the two buildings independently

B. Other Assets

As of the Petition Date, in addition to its real property, the Debtor had approximately \$7,000 in its bank account; \$50,000 on retainer with professionals; \$45,000 in prepayments to independent contractors (which have been utilized subsequent to the Petition Date) and \$20,000 in accounts receivable. Parties in interest are directed to Schedule A/B filed with the Court [Doc. No. 30] copies of which may be obtained upon request from the Debtor's attorneys. The amount of funds held in the Debtor's bank fluctuates from month to month. As of September 1, 2016, the Debtor held \$77,694.50 in its operating account and \$32,047 in its separate tax account established for real property taxes. In addition, the Debtor has claims in pending litigation commenced prior to the Petition Date against Powerplay Marketing & Media, LLC and Progressive Capital Management Corp. Although there are inherent risks in all litigation and costs and questions of timing, the Debtor estimates that it will recover at least \$100,000 in the aggregate.

C. Projections and Expenses [Bob to provide projections]

1. Attached as Exhibit B are the Debtor's projections through December 31, 2016. These include normal operating expenses as well as certain expenses related to the proposed sale to LCB. The normal operating expenses consist of those typically incurred by the owner of an office building such as landscaping, utilities, and cleaning. Creditors are referred to the Debtor's monthly operating reports which are filed with the Court [Doc. Id. Nos. 35, 38, 49, & 58] for additional information on the Debtor's operations since the Petition Date, copies of which may also be obtained upon request to the Debtor's attorneys
2. Attached as Exhibit C are the Debtor's projections for the calendar year 2017 before payments to Creditors under the Plan. These assume that the sale to LCB has closed and also show the Debtor's anticipated ordinary operating expenses. The Debtor believes that these projections will not change materially through the latest end date for full payments to Creditors under the Plan i.e., June 30, 2019.

D. Prepetition Indebtedness

1. Senior Indebtedness

110 Parklands, as successor to Wells Fargo Bank, N.A., Trustee, holds a first mortgage against the Debtor's property securing a note in the principal amount of \$10,500,000.00. With interest and other charges, 110 Parklands asserts a Claim of approximately \$12,000,000.00. .

2. Unsecured Debt

As of the Petition Date, and excluding in their entirety all disputed amounts, the Debtor had outstanding general unsecured obligations of approximately \$211,176.00.

3. Equity Holders

The current owners of the Debtor, which placed in Class 3 of the Plan are the same parties which owned the Debtor as of the Petition Date, namely First Fairfield Group (29%); P.P.O., Inc. (55%) and SREP Parkland Associates, LLC (16%).

III.

**KEY EVENTS LEADING TO THE
COMMENCEMENT OF THE REORGANIZATION CASE**

While other events may have contributed to the Debtor's bankruptcy, the most significant factor leading to the commencement of its chapter 11 case was the vacancy at 1

Parklands, created when the sole tenant's lease expired. The Debtor was unable to maintain payments to its secured creditor, which commenced a foreclosure action.

IV.

THE REORGANIZATION CASE

On March 29, 2016, the Debtor filed a voluntary petition for the relief afforded under Chapter 11 of the Bankruptcy Code. In accordance with §§ 1107 and 1108 of the Bankruptcy Code, the Debtor is authorized to continue to operate its business as a debtor-in-possession. No trustee or examiner has been appointed in this case.

A. Use of Cash Collateral

To enable the continued operation of its business, avoid short-term liquidity concerns, and preserve the going concern value of its estate, the Debtor, together with its attorneys, negotiated the terms and conditions of two interim cash collateral orders thus far with 110 Parklands and its attorneys.

B. Retention of Professionals

The Debtor has retained bankruptcy counsel and intends to retain special real estate and collection counsel, as well as accountants.

C. Bar Date

The Bankruptcy Court established July 25, 2016, as the date by which proofs of claims (of parties other than governmental units) against the Debtor are to be filed in this Case (the "Bar Date"). A notice of the Bar Date was sent to all creditors as part of the Notice of Chapter 11 Bankruptcy Case, Meeting of Creditors, and Deadlines dated April 1, 2016 [DN 8].

THE PLAN OF REORGANIZATION

A. Introduction

The Plan provides for a restructuring of the Debtor's financial obligations and the time necessary to pay all Creditors in full with value retained for the Holders of Interests, which is substantially more value than they would receive in a liquidation of the Debtor under chapter 7 of the Bankruptcy Code.

The following is a general discussion of the provisions of the Plan. The Plan is attached as Exhibit 1 to this Disclosure Statement. In the event of any discrepancies, the terms of the Plan will govern.

B. Classification and Treatment of Claims and Equity Interests Under the Plan of Reorganization

One of the key concepts under the Bankruptcy Code is that only claims and equity interests that are “allowed” may receive distributions under a chapter 11 plan. This term is used throughout the Plan and the descriptions below. In general, an “allowed” claim or “allowed” equity interest simply means that the debtor agrees, or in the event of a dispute, that the Bankruptcy Court determines, that the claim or equity interest, and the amount thereof, is in fact a valid obligation of the debtor. Section 502(a) of the Bankruptcy Code provides that a timely filed claim or equity interest is automatically “allowed” unless the debtor or other party in interest objects. However, § 502(b) of the Bankruptcy Code specifies certain claims that may not be “allowed” in bankruptcy even if a proof of claim is filed. These include, but are not limited to, claims that are unenforceable under the governing agreement between a debtor and the claimant or applicable non-bankruptcy law, claims for unmatured interest, property tax claims in excess of the debtor’s equity in the property, claims for services that exceed their reasonable value, real property lease and employment contract rejection damage claims in excess of specified amounts, late-filed claims, and contingent claims for contribution and reimbursement. Additionally, Bankruptcy Rule 3003(c)(2) prohibits the allowance of any claim or equity interest that either is not listed on the debtor’s schedules or is listed as disputed, contingent, or unliquidated, if the holder has not filed a proof of claim or equity interest before the established deadline.

The Bankruptcy Code requires that, for purposes of treatment and voting, a chapter 11 plan divide the different claims against, and equity interests in, the debtor into separate classes based upon their legal nature. Claims of a substantially similar legal nature are usually classified together, as are equity interests of a substantially similar legal nature. Because an entity may hold multiple claims and/or equity interests which give rise to different legal rights, the “claims” and “equity interests” themselves, rather than their holders, are classified.

Under a chapter 11 plan, the separate classes of claims and equity interests must be designated either as “impaired” (affected by the plan) or “unimpaired” (unaffected by the plan). If a class of claims is “impaired,” the Bankruptcy Code affords certain rights to the holders of such claims, such as the right to vote on the plan, and the right to receive, under the chapter 11 plan, no less value than the holder would receive if the debtor were liquidated in a case under chapter 7 of the Bankruptcy Code. Under § 1124 of the Bankruptcy Code, a class of claims or interests is “impaired” unless the plan (i) does not alter the legal, equitable and contractual rights of the holders or (ii) irrespective of the holders’ acceleration rights, cures all defaults (other than those arising from the debtor’s insolvency, the commencement of the case or nonperformance of a nonmonetary obligation), reinstates the maturity of the claims or interests in the class, compensates the holders for actual damages incurred as a result of their reasonable reliance upon any acceleration rights, and does not otherwise alter their legal, equitable and contractual rights. Typically, this means that the holder of an unimpaired claim will receive on the later of the consummation date or the date on which amounts owing are actually due and payable, payment in full, in Cash, with postpetition interest to the extent appropriate and provided for under the governing agreement (or if there is no agreement, under applicable nonbankruptcy law), and the remainder of the debtor’s obligations, if any, will be performed as they come due in accordance with their terms. Thus, other than its right to accelerate the

debtor’s obligations, the holder of an unimpaired claim will be placed in the position it would have been in had the debtor’s case not been commenced. Pursuant to § 1126(f) of the Bankruptcy Code, holders of unimpaired claims or interests are “conclusively presumed” to have accepted the plan. Accordingly, their votes are not solicited. Under the Debtor’s Plan, there is no class of claims which are unimpaired, and, therefore, there are no holders of claims who are “conclusively presumed” to have voted to accept the Plan.

Under certain circumstances, a class of claims or equity interests may be deemed to reject a plan of reorganization. For a more detailed description of the requirements for confirmation, see Section V.E below, entitled “CONFIRMATION OF THE PLAN OF REORGANIZATION -- Requirements for Confirmation of the Plan of Reorganization.”

Consistent with these requirements, the Plan divides the Allowed Claims against, and Allowed Equity Interests in, the Debtor into the following classes:

Unclassified	Administrative Expenses	N/A
Unclassified	Priority Tax Claims	N/A
Class 1	Secured Claims	Impaired
Class 2	General Unsecured Claims	Impaired
Class 3	Interests	Unimpaired

1. Unclassified

(a) *Administrative Expenses*

Administrative Expenses are the actual and necessary costs and expenses of the Debtor’s Case that are allowed under §§ 503(b) and 507(a)(1) of the Bankruptcy Code. Such expenses will include, but are not limited to, amounts owed to vendors providing goods and services to the Debtor during the chapter 11 cases, and tax obligations incurred after the Petition Date. Other administrative expenses include the actual, reasonable, and necessary professional fees and expenses of the Debtor’s professionals

Administrative Expenses representing liabilities incurred by the Debtor in the ordinary course of business and consistent with past practice will be paid by the Debtor in accordance with the terms and conditions of the particular transaction and any related agreements and instruments. All other Allowed Administrative Expenses will be paid, in full, in Cash, on the Effective Date, or on such other terms to which the Debtor and the holder of such Administrative Expense agree.

All payments to professionals for compensation and reimbursement of expenses and all payments to reimburse expenses will be made in accordance with the procedures established by the Bankruptcy Court and Bankruptcy Rules.

In addition to the foregoing, § 503(b) of the Bankruptcy Code provides for payment of compensation to creditors, indenture trustees, and other Persons making a “substantial contribution” to a chapter 11 case, and to attorneys for, and other professional advisors to, such Persons. Requests for such compensation must be approved by the Bankruptcy

Court after notice and a hearing at which the Debtor and other parties in interest may participate, and, if appropriate, object to such requests.

The Debtor estimates, assuming the Effective Date occurs no later than December 31, 2016, Allowed unpaid Administrative Expenses on the Effective Date will approximate \$_____. [TO BE DETERMINED] To the extent that Debtor's counsel's allowed fees exceed the retainer, Debtor's counsel will agree to payment terms consistent with the Plan's other payment requirements.

(b) *Priority Tax Claims*

Priority Tax Claims essentially consist of unsecured claims of federal and state governmental authorities for the kinds of taxes specified in § 507(a)(8) of the Bankruptcy Code, such as certain income taxes, property taxes, excise taxes, and employment and withholding taxes. The Debtor does not expect that there will be any Priority Tax Claims but is providing for the treatment in the event any are asserted and Allowed.

With respect to any Priority Tax Claims not paid pursuant to prior Bankruptcy Court order, except to the extent that a holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, each holder of an Allowed Priority Tax Claim will receive, at the sole option of the Debtor or the Reorganized Debtor, (i) on the Effective Date, Cash in an amount equal to such Allowed Priority Tax Claim, or (ii) commencing on the Effective Date and continuing over a period not exceeding six (6) years after the date of assessment of such Allowed Priority Tax Claim, Cash payments in an aggregate amount equal to such Allowed Priority Tax Claim, together with simple interest at the Interest Rate, subject to the sole option of the Debtor or Reorganized Debtor to prepay the entire amount of the Allowed Priority Tax Claim without penalty. All Allowed Priority Tax Claims which are not due and payable on or before the Effective Date will be paid in the ordinary course of business as such obligations become due.

2. Classified

The Plan provides for the treatment of each class of claims or interests as outlined below.

Class I: Class I consists of the Allowed Secured Claim of 110 Parklands

(a) 110 Parklands asserts a Claim of approximately \$12,000,000 as of the Petition Date. The Claim will be treated as fully secured. The Allowed Claim will be paid from the sale to LCB. The Debtor estimates that this will occur in January 2017 and the amount of the payment to 110 Parklands from the sale proceeds will approximate \$11,000,000. To the extent that the amount of the Allowed Claim exceeds what is available from the closing of the sale to the LCB, the remaining portion shall be paid \$40,000 monthly, commencing on the 20th day of the first month following the sale to LCB with any balance due on the Allowed Claim paid on or before June 30, 2019. The estimated commencement date is February 20, 2017.

(b) After the Effective Date, interest shall accrue on the Allowed Claim at a rate equal to the 10-year US Treasury bond plus 200 basis points.

(c) 110 Parklands shall retain its lien against the property to be sold to LCB until the closing and shall retain its lien against the remainder of the Debtor's property until its Allowed Claim is paid in full.

(d) This class is impaired.

Class II. Class II consists of the Holders of Allowed Unsecured Claims against the Debtor that have been scheduled in the amount of \$211,176. They shall be paid in full by receiving their pro rata share of monthly payments of \$10,000 commencing on the 20th day following the sale to LCB. Any amount remaining due on Allowed Class III claims will be paid in full no later than June 30, 2019. This class is impaired.

Class III. Class III consists of the Interest holders in the Debtor. The Holders of Interests shall retain their Interests in the Reorganized Debtor. This class is not impaired.

C. Means of Implementing the Plan

1. **ASSUMPTION OF LIABILITY.** The Reorganized Debtor shall be responsible for satisfying all of the Allowed Claims in accordance with the terms and provisions of the Plan.
2. **ASSUMPTION OF PURCHASE AND SALE AGREEMENT WITH LCB.** The reorganized Debtor will assume its Purchase and Sale Agreement with LCB pursuant to the Plan and sell the property known as 1 Parklands to LCB for \$12,000,000.00, free and clear of all liens, claims, and interests. Attached as Exhibit D is the calculation of the net proceeds available to the Debtor for payments under the Plan, namely to 110 Parklands under Class 2. Attached as Exhibit E is information on the LCB.
3. **MANAGEMENT.** Prior to the Petition Date and during this Case, First Fairfield Group, Inc. has been the managing member of the Debtor without compensation and will continue in that role without compensation post Effective-Date. The Debtor's property has been and will continue to be managed by the Signature Group, LLC. The Debtor will assume the management agreement with the Signature Group pursuant to the Plan and the Reorganized Debtor. The compensation for the Signature Group under the management agreement is 3% of gross annual rent.
4. **OPERATIONS AND PAYMENTS.** The Debtor believes that the sale to LCB combined with the remaining value and cash flow from 3 Parklands are more than sufficient to meet its operating expenses and obligations under the Plan. See Exhibit C attached hereto.

D. Distributions

1. Manner of Payment

At the option of the Reorganized Debtor, any Cash payment to be made under the Plan may be made by a check or wire transfer or as otherwise required or provided in applicable agreements.

2. No Fractional Distributions

No fractions of Cash shall be distributed. For purposes of distribution, all fractions of Cash shall be rounded up or down to the nearest whole number.

3. Setoffs and Recoupment

The Debtor may, but will not be required to, set off against, or recoup from, any Claim and the payments to be made pursuant to the Plan in respect of such Claim, any Claims of any nature whatsoever that the Debtor may have against the claimant, but neither the failure to do so nor the allowance of any claim under the Plan will constitute a waiver or release by the Debtor or Reorganized Debtor of any such claim it may have against such claimant.

4. Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a distribution under the Plan consists of indebtedness and accrued but unpaid interest thereon, such distribution will be allocated first to the principal amount of the Claim (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claim, to accrued but unpaid interest.

E. Procedures for Treating Disputed Claims

1. Objections

Except as otherwise provided in the Plan or other order of the Court, as of the Effective Date, objections to, and requests for estimation of, Claims and Administrative Expenses may be interposed and prosecuted only by the Reorganized Debtor. With respect to Claims arising prior to the Petition Date, such objections and requests for estimation shall be served on the respective claimant and filed with the Bankruptcy Court on or before the latest of (a) the Effective Date, or (b) sixty (60) days after a proof of Claim has been filed with Bankruptcy Court. With respect to Claims arising after the Petition Date, such objections may be filed with the Bankruptcy Court on or before the latest of (a) sixty (60) days after an application for allowance of an Administrative Expense has been filed with the Bankruptcy Court in the Reorganization Cases, or (d) with respect to certain Claims identified prior to the Confirmation Date, such other date as may have been fixed by the Bankruptcy Court.

2. No Distributions Pending Allowance

Notwithstanding any other provision in the Plan, if any portion of a Claim or Administrative Expense is Disputed, no payment or distribution provided in the Plan shall be made on account of such Claim or Administrative Expense unless and until such Disputed Claim or Disputed Administrative Expense becomes Allowed. In lieu of distributions under the Plan to holders of Disputed Class 3 Claims, if Allowed, the Disputed Class 3 Claim Reserve will be established on the Effective Date to hold Preferred Stock for the benefit of these Claim holders.

F. Treatment Of Executory Contracts

EXECUTORY CONTRACTS. Unless otherwise rejected by Final Order of the Bankruptcy Court, all executory contracts of the Debtor that have not been rejected prior to the Effective Date and are not subject to a pending motion to reject as of the Confirmation Hearing shall be deemed assumed. Attached as Exhibit F is a list of the Debtor's executory contracts. The Debtor reserves the right to move to reject.

INSURANCE POLICIES. All of the Debtor's insurance policies and any agreements, documents, or instruments relating thereto, are treated as executory contracts under the Plan and are hereby expressly assumed by the Debtor. Nothing contained herein shall constitute or be deemed a waiver of any cause of action that the Debtor may hold against any entity, including without limitation, the insurer under any of the Debtor's policies of insurance.

OBJECTIONS TO REJECTION DAMAGE CLAIMS. The Reorganized Debtor may file an objection to any Proof of Claim filed in accordance with Section 11.4 of the Plan on or before the later of (i) sixty (60) days after the filing of the Proof of Claim or (ii) the time set for the filing of objections in Section 12.1 of the Plan (including any extensions). The objection will be resolved in accordance with Article XII of the Plan.

ASSUMPTION AND CURE PAYMENTS. All assumed executory contracts and unexpired leases shall be Cured by the Reorganized Debtor pursuant to Section 11.7 of the Plan, unless other provisions have been agreed to by the counter-party. As long as the Reorganized Debtor complies with Section 11.7 of the Plan, all executory contract and unexpired lease counterparties must fulfill all contract and lease obligations and are enjoined from declaring a default for non-performance due to the bankruptcy or pre-assumption default.

RESOLUTION OF CURE CLAIM DISPUTES. For each executory contract or unexpired lease to be assumed under Article XI of the Plan, within thirty (30) days after the Effective Date, the Debtor or Reorganized Debtor shall deliver a written proposal to the contract counter-party describing the method, timing and amount of any proposed Cure. The Reorganized Debtor's proposal shall be binding unless the contract counter-party delivers to the Reorganized Debtor's counsel, within fifteen (15) days after receipt of the proposal, a written objection detailing all reasons for the counter-party's objection and setting forth a counter-proposal. In the event that the dispute cannot be resolved, either party may petition the Bankruptcy Court to resolve the dispute through filing of a properly noticed motion. In the event that the Bankruptcy Court sets a Cure amount greater than the Cure amount proposed by the Debtor, the Debtor shall have ten (10) Business Days to Cure or reject the contract or lease by filing a notice of rejection on the docket in this Case and sending notice thereof to the affected Creditor.

G. Conditions Precedent to Effective Date

1. Conditions Precedent to Confirmation

The Plan will not be confirmed unless and until the following conditions have been satisfied or waived in accordance with the Plan: the Confirmation Order, in form and substance satisfactory to the Debtor and has been entered on the docket maintained by the Clerk of the Bankruptcy Court; and the Plan, all exhibits thereto, and the Confirmation Order are acceptable in form and substance to the Debtor.

2. Waiver of Conditions

Each of the conditions precedent in the Plan, may be waived, in whole or in part, by the Debtor. Any such waivers may be affected at any time, without notice, without leave or order of the Bankruptcy Court, and without any formal action.

H. Effect of Confirmation

1. Revesting of Assets

On the Effective Date, the Debtor, its properties and interests in property, and its operations will be released from the custody and jurisdiction of the Bankruptcy Court, and all property of the Estate of the Debtor, including and pre-paid expenses or deposits with vendors, will vest in the Reorganized Debtor. From and after the Effective Date, the Reorganized Debtor may operate its business and may use, acquire and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, subject to the terms and conditions of the Plan.

2. Binding Effect

Subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Plan will bind any holder of a Claim against, or Equity Interest in, the Debtor and such holder's respective successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired under the Plan, whether or not such holder has accepted the Plan, and whether or not such holder is entitled to distribution under the Plan.

3. Discharge of Debtor

Except to the extent otherwise provided in the Plan or in the Confirmation Order, the rights afforded in the Plan and the treatment of all Claims against or Equity Interests in the Debtor thereunder shall be in exchange for and in complete satisfaction, discharge, and release of all debts of, Claims against, and Equity Interests in, the Debtor of any nature whatsoever, known or unknown, including, without limitation, any interest accrued or expenses incurred thereon from and after the Petition Date, or against its Estate, the Reorganized Debtor, or its properties or interests in property. Except as otherwise provided in the Plan or in the Confirmation Order, upon the Effective Date, all Claims against the Debtor will be satisfied, discharged and released in full in exchange for the consideration, if any, provided in the Plan. Except as otherwise

provided in the Plan or in the Confirmation Order, all entities will be precluded from asserting against the Debtor or the Reorganized Debtor or its respective properties or interests in property, any other Claims based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date.

4. Term of Injunctions or Stays

Except as otherwise expressly provided in the Plan or in the Confirmation Order, all Persons or entities who have held, hold, or may hold Claims or Equity Interests will be permanently enjoined, from and after the Effective Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind on any such Claim or Equity Interest against any of the Debtor or Reorganized Debtor, (ii) the enforcement, attachment, collection, or recovery by any manner or means of any judgment, award, decree, or order against any Debtor or Reorganized Debtor, with respect to such Claim or Equity Interest, (iii) creating, perfecting, or enforcing any encumbrance of any kind against the Debtor or Reorganized Debtor, or against the property or interests in property of the Debtor or Reorganized Debtor, with respect to such Claim or Equity Interest, and (iv) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due to the Debtor or Reorganized Debtor, or against the property or interests in property of the Debtor or Reorganized Debtor, with respect to such Claim or Equity Interests.

Unless otherwise provided in the Confirmation Order, all injunctions or stays arising under or entered during the Case under § 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, will remain in full force and effect until the Effective Date.

5. Indemnification Obligations

The Debtor's obligations under any Corporate Indemnities to indemnify any Indemnified Person with respect to Claims arising prior to the Effective Date will be deemed and treated as executory contracts that are assumed by the Reorganized Debtor pursuant to the Plan and §§ 365 and 1123(b) of the Bankruptcy Code as of the Effective Date and the occurrence of the Effective Date shall be the only condition necessary to such assumption and all requirements for Cure and/or adequate assurance of future performance under § 365 for such assumption shall be deemed satisfied.

6. Exculpation

The Plan also provides a limited exculpation. Neither the Debtor, nor any of its advisors, professionals, or agents shall incur or incur any liability to the Debtor or any Holder of a Claim or Equity Interest for any act or omission in connection with, related to, or arising out of the Bankruptcy Case, negotiations regarding or concerning the Disclosure Statement or the Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement or the Plan, except for fraud, gross negligence, malpractice or willful misconduct. Nothing contained in this paragraph shall be deemed to exculpate any party identified herein from any conduct post Effective Date.

I. Retention of Jurisdiction

The Bankruptcy Court will have exclusive jurisdiction of all matters, except as expressly noted herein, arising out of, or related to, the Reorganization Cases and the Plan pursuant to, and for the purposes of, §§ 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

- a) To hear and determine pending applications for the assumption or rejection of executory contracts or unexpired leases and the allowance of Claims and Administrative Expenses resulting therefrom;
- b) To determine any and all adversary proceedings, applications, and contested matters that are pending on the Effective Date;
- c) To ensure that distributions to holders of Allowed Administrative Expenses and Allowed Claims are accomplished as provided in the Plan;
- d) To hear and determine any timely objections to, or requests for estimation of, Administrative Expenses or proofs of claims, including, without limitation, any objections to the classification of any Administrative Expense, Claim or Equity Interest, and to allow or disallow any Disputed Administrative Expense or Disputed Claim, in whole or in part;
- e) To resolve disputes as to the ownership of any Administrative Expense, Claim, or Equity Interest;
- f) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;
- g) To issue such orders in aid of execution of the Plan, to the extent authorized by § 1142 of the Bankruptcy Code;
- h) To consider any amendments to or modifications of the Plan, or to cure any defect or omission, or reconcile any inconsistency, in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;
- i) To hear and determine all applications of retained professionals under §§ 330, 331, and 503(b) of the Bankruptcy Code for awards of compensation for services rendered and reimbursement of expenses incurred prior to the Effective Date;
- j) To hear and determine disputes or issues arising in connection with the interpretation, implementation or enforcement of the Plan, the Confirmation Order, any transactions or payments contemplated by the Plan, any agreement, instrument, or other document governing or relating to any of the foregoing, or any settlement approved by the Bankruptcy Court;
- k) To hear and determine matters concerning state, local and federal taxes in accordance with §§ 346, 505, and 1146 of the Bankruptcy Code (including, without limitation, any

request by the Debtor prior to the Effective Date, or request by the Reorganized Debtor after the Effective Date, for an expedited determination of tax under § 505(b) of the Bankruptcy Code);

- l) To hear any other matter not inconsistent with the Bankruptcy Code;
- m) To hear and determine all disputes involving the existence, scope and nature of the discharges, releases and injunctions granted under the Plan, the Confirmation Order, or the Bankruptcy Code;
- n) To issue injunctions and effect any other actions that may be necessary or desirable to restrain interference by any entity with the consummation or implementation of the Plan;
- o) To enter a final decree closing the Reorganization Case; and
- p) To hear any claim, matter or chose in action, whether or not it has been commenced prior to the Effective Date, that the Debtor may prosecute, which has not been liquidated prior to the Effective Date, including, without limitation, any such matter for which the United States District Court for the District of Connecticut (the "District Court") may also have concurrent jurisdiction, in which case the District Court may also hear any such claim, matter or chose in action.

J. Miscellaneous Provisions

1. Payment of Statutory Fees

All fees payable under § 1930, chapter 123, title 28, United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, will be paid on the Effective Date.

2. Modification of Plan

The Plan may be modified by the Debtor in accordance with § 1127 of the Bankruptcy Code.

3. Revocation of Plan

The Debtor reserves the right, at any time prior to the entry of the Confirmation Order, to revoke and withdraw the Plan.

4. Severability of Plan Provisions

In the event that, prior to the Confirmation Date, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of

the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable in accordance with its terms.

5. Governing Law

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent an exhibit to the Plan or Plan Supplement provides otherwise (in which case the governing law specified therein will be applicable to such exhibit), the rights, duties, and obligations arising under the Plan will be governed by, and construed and enforced in accordance with, the laws of the State of Connecticut without giving effect to the principles of conflict of laws.

6. Compliance with Tax Requirements

In connection with the consummation of the Plan, any party issuing any instrument or making any distribution under the Plan is to comply with all applicable withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all distributions under the Plan will be subject to any such withholding or reporting requirements. Notwithstanding the above, each holder of an Allowed Claim that is to receive a distribution under the Plan will have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of such distribution. Any party issuing any instrument or making any distribution under the Plan has the right, but not the obligation, to not make a distribution until such holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations.

7. Expedited Tax Determination

The Debtor and the Reorganized Debtor are authorized to request an expedited determination of taxes under § 505(b) of the Bankruptcy Code for any or all returns filed for, or on behalf of, the Debtor for any and all taxable periods (or portions thereof) ending after the Petition Date through, and including, the Effective Date.

IV.

CERTAIN FACTORS AFFECTING THE DEBTORS

A. Certain Bankruptcy Law Considerations

1. Risk of Non-Confirmation of the Plan of Reorganization

Although the Debtor believes that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion or that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate resolicitation of votes.

2. Non-Consensual Confirmation

In the event any impaired class of claims or equity interests does not accept a plan of reorganization, a bankruptcy court may nevertheless confirm such plan at the proponent's request if at least one impaired class has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired classes. See Section VIII.B.1 below, entitled "CONFIRMATION OF THE PLAN OF REORGANIZATION -- Requirements for Confirmation of the Plan of Reorganization -- Requirements of § 1129(b) of the Bankruptcy Code." The Debtor believes that the Plan satisfies these requirements; however, there can be no guarantee that the Bankruptcy Court will make such a finding.

3. Risk of Non-Occurrence of the Effective Date

Although the Debtor believes that the Effective Date will occur soon after the Confirmation Date, there can be no assurance as to such timing.

B. Additional Factors To Be Considered

1. The Debtor Has No Duty to Update

The statements contained in this Disclosure Statement are made by the Debtor as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Debtor has no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

2. No Representations Outside This Disclosure Statement Are Authorized

No representations concerning or related to the Debtor, the Reorganization Case, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance, or rejection, of the Plan that are other than as contained in, or included with, this Disclosure Statement should not be relied upon by you in arriving at your decision.

3. Projections and Other Forward Looking Statements Are Not Assured, and Actual Results Will Vary

Certain of the information contained in this Disclosure Statement is, by nature, forward looking, and contains estimates and assumptions which might ultimately prove to be incorrect, and contains projections which may be materially different from actual future experiences. There are uncertainties associated with any projections and estimates, and they should not be considered assurances or guarantees of the amount of funds or the amount of Claims in the various classes that might be allowed.

4. No Legal or Tax Advice is Provided to You by this Disclosure Statement

The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each creditor or Equity Interest holder should consult his, her, or its own legal counsel and accountant as to legal, tax and other matters concerning his, her, or its Claim or Equity Interest.

This Disclosure Statement is not legal advice to you. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

5. No Admission Made

Nothing contained herein shall constitute an admission of, or be deemed evidence of, the tax or other legal effects of the Plan on the Debtor or on holders of Claims or Equity Interests.

6. Business Factors and Competitive Conditions

a. *General Economic Conditions*

The Debtor has assumed that the general economic conditions of the United States economy will be stable over the next several years. The stability of economic conditions is subject to many factors outside the Debtor's control, including interest rates, inflation, unemployment rates, consumer spending, war, terrorism and other such factors. Any one of these or other economic factors could have a significant impact on the operating performance of the Reorganized Debtor. There is no guarantee that economic conditions will improve in the near term.

b. *Business Factors*

The Debtor believe that it will succeed in implementing and executing its business plan and operational restructuring for benefit of all constituencies. However, there are risks that the goals of the Debtor's going-forward business plan and operational restructuring strategy will not be achieved.

c. *Other Factors*

Other factors that holders of Claims should consider are potential regulatory and legal developments that may impact the Reorganized Debtor. Although these and other such factors are beyond the Debtor's control and cannot be determined in advance, they could have a significant impact on the Reorganized Debtor's operating performance.

d. *Sale to LCB*

The Plan is largely predicated on the proposed sale to LCB. Although the Debtor is highly confident that all conditions to closing will be satisfied, there is no guaranty.

C. Certain Tax Matters

For a summary of certain federal income tax consequences of the Plan to holders of claims and equity interests and to the Debtor, see Section XI below, entitled "CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN."

V.

VOTING PROCEDURES AND REQUIREMENTS

A. Voting Deadline

IT IS IMPORTANT THAT THE HOLDERS OF CLAIMS IN CLASS 1 (110 PARKLANDS) AND CLASS 2 (UNSECURED CLAIMS) TIMELY EXERCISE THEIR RIGHT TO VOTE TO ACCEPT OR REJECT THE PLAN OF REORGANIZATION. All known holders of Allowed Claims entitled to vote on the Plan have been sent a ballot together with this Disclosure Statement. Such holders should read the ballot carefully and follow the instructions contained therein. Please use only the ballot that accompanies this Disclosure Statement.

IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR VOTE MUST BE RECEIVED BY THE VOTING AGENT AT THE ADDRESS SET FORTH BELOW BEFORE THE VOTING DEADLINE OF 4:00 P.M., EASTERN TIME, ON _____, 2016.

IF A BALLOT IS DAMAGED OR LOST, YOU MAY CONTACT THE DEBTOR'S VOTING AGENT AT THE NUMBER SET FORTH BELOW.

A BALLOT THAT DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED AS A VOTE.

A BALLOT THAT INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN WILL NOT BE COUNTED AS A VOTE.

FAXED COPIES OF BALLOTS WILL NOT BE ACCEPTED.

IF YOU HAVE ANY QUESTIONS CONCERNING VOTING PROCEDURES, YOU MAY CONTACT THE VOTING AGENT AT:

ZEISLER & ZEISLER P.C.
10 Middle Street, 15th floor
Bridgeport, CT 06604
Attn: James Berman
(203) 368-4234

Additional copies of this Disclosure Statement are available upon request made to the Voting Agent, at the address set forth immediately above.

B. Holders of Claims Entitled to Vote

Class 1 (110 Parklands) and Class 2 (General Unsecured Claims) and are impaired and entitled to vote to accept or reject the Plan.

C. Vote Required for Acceptance by a Class

Under the Bankruptcy Code, acceptance of a plan of reorganization by a class of claims occurs when holders of at least two-thirds in dollar amount and more than one half in number of the allowed claims of that class that cast ballots for acceptance or rejection of the plan of reorganization vote to accept the plan. Thus, acceptance of the Plan by Class 1 and Class 2 will occur only if at least two-thirds in dollar amount and a majority in number of the holders of the Claims in the respective class that return ballots vote to accept.

CONFIRMATION OF THE PLAN OF REORGANIZATION

D. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after appropriate notice, to hold a hearing on confirmation of a plan of reorganization. As set forth in the Disclosure Statement Order, the Bankruptcy Court has scheduled the confirmation hearing for [2016]. The confirmation hearing may be adjourned from time-to-time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the confirmation hearing or any subsequent adjourned confirmation hearing.

Any objection to confirmation of the Plan must be in writing, must conform to the Bankruptcy Rules, must set forth the name of the objector, the nature and amount of claims or interests held or asserted by the objector against the Debtor's estate or property, the basis for the objection and the specific grounds therefor, and must be filed with the Bankruptcy Court, together with proof of service thereof, and served upon (i) Zeisler & Zeisler P.C., 10 Middle Street, 15th floor, Bridgeport, CT 06604, Attorneys for the Debtor (Attention: James Berman, Esq.) and (ii) Office of the United States Trustee, District of Connecticut, 150 Court Street, Suite 302, New Haven, CT 06510 so as to be received no later than 4:00 p.m. (Eastern Time) on [_____, 2016.]

Objections to confirmation of the Plan of Reorganization are governed by Bankruptcy Rule 9014. **UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.**

E. Requirements for Confirmation of the Plan of Reorganization

1. Requirements of § 1129(a) of the Bankruptcy Code

(a) *General Requirements*

At the confirmation hearing, the Bankruptcy Court will determine whether the following confirmation requirements specified in § 1129 of the Bankruptcy Code have been satisfied:

- 1) The Plan complies with the applicable provisions of the Bankruptcy Code.
- 2) The Debtor has complied with the applicable provisions of the Bankruptcy Code.
- 3) The Plan has been proposed in good faith and not by any means proscribed by law.
- 4) Any payment made or promised by the Debtor or by a Person issuing securities or acquiring property under the Plan for services or for costs and expenses in, or in connection with, the Reorganization Case, or in connection with the Plan and incident to the Reorganization Cases, has been disclosed to the Bankruptcy Court, and any such payment made before confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable.
- 5) The Debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director or officer of the Debtor, an affiliate of the Debtor participating in a Plan with the Debtor, or a successor to the Debtor under the Plan of Reorganization, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and equity holders and with public policy, and the Debtor have disclosed the identity of any insider that will be employed or retained by the Debtor, and the nature of any compensation for such insider. With respect to each class of claims or equity interests, each holder of an impaired claim or impaired equity interest either has accepted the Plan or will receive or retain under the Plan on account of such holder's claim or equity interest, property of a value, as of the Effective Date, that is not less than the amount such holder would receive or retain if the Debtor were liquidated on the Effective Date under chapter 7 of the Bankruptcy Code. See discussion of "Best Interests Test" below.
- 6) Except to the extent the Plan meets the requirements of § 1129(b) of the Bankruptcy Code (discussed below), each class of claims or equity interests has either accepted the Plan or is not impaired under the Plan.
- 7) Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the Plan provides that administrative expenses and priority claims other than priority tax claims will be paid in full on the Effective Date and that priority tax claims will receive on account of such claims deferred Cash payments, over a period not exceeding six years after the date of assessment of such claims, of a value, as of the Effective Date, equal to the allowed amount of such claims.

8) At least one class of impaired claims has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a claim in such class.

9) Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan. See discussion of “Feasibility” below.

(b) *Best Interests Test*

As described above, the Bankruptcy Code requires that each holder of an impaired claim or equity interest either (a) accepts the Plan or (b) receives or retains under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive or retain if the Debtor were liquidated under chapter 7 of the Bankruptcy Code on the Effective Date.

The first step in meeting this test is to determine the dollar amount that would be generated from the liquidation of the Debtor’s assets and properties in the context of a chapter 7 liquidation case. The gross amount of cash available would be the sum of the proceeds from the disposition of the Debtor’s assets and the cash held by the Debtor at the time of the commencement of the chapter 7 case. The next step is to reduce that total by the amount of any claims secured by such assets, the costs and expenses of the liquidation, and such additional administrative expenses and priority claims that may result from the termination of the Debtor’s business and the use of chapter 7 for the purposes of liquidation. Any remaining net cash would be allocated to creditors and shareholders in strict priority in accordance with § 726 of the Bankruptcy Code (see discussion below). Finally, taking into account the time necessary to accomplish the liquidation, the present value of such allocations may be compared to the value of the property that is proposed to be distributed under the Plan on the Effective Date.

110 Parkland’s claim would likely exceed the value of the Debtor’s assets in a chapter 7 liquidation. Assuming, for the sake of argument, any assets were available for the Bank’s claim, the Debtor’s costs of liquidation under chapter 7 would include the fees payable to a chapter 7 trustee in bankruptcy, as well as those that might be payable to attorneys and other professionals that such a trustee may engage, plus any unpaid expenses incurred by the Debtor during the chapter 11 case and allowed in the chapter 7 case, such as compensation for attorneys, financial advisors, appraisers, accountants and other professionals. Additional claims would arise by reason of the breach or rejection of obligations incurred and executory contracts or leases entered into by the Debtor both prior to, and during the pendency of, the chapter 11 cases.

The foregoing types of claims, costs, expenses, fees and such other claims that may arise in a liquidation case would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay pre-chapter 11 priority and unsecured claims. Under the absolute priority rule, no junior creditor would receive any distribution until all senior creditors are paid in full, with interest, and no equity holder receives any distribution until all creditors are paid in full, with interest. The Debtor believes that in a chapter 7 case, holders of unsecured claims would receive no distributions of property. Accordingly, the Plan satisfies the rule of absolute priority.

After consideration of the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors in a chapter 11 case, including (i) the increased costs and expenses of a liquidation under chapter 7 arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee, (ii) the erosion in value of assets in a chapter 7 case in the context of the expeditious liquidation required under chapter 7 and the “forced sale” atmosphere that would prevail and (iii) substantial increases in claims which would be satisfied on a priority basis, and (iv) the fact that the Plan proposes to pay all creditors in full, the Debtor has determined that confirmation of the Plan will provide each creditor and equity holder with a recovery that is not less than it would receive pursuant to a liquidation of the Debtor under chapter 7 of the Bankruptcy Code.

The Debtor’s liquidation analysis is an estimate of the proceeds that may be generated as a result of a hypothetical chapter 7 liquidation of the assets of the Debtor. The analysis is based upon a number of significant assumptions which are described. The liquidation analysis does not purport to be a valuation of the Debtor’s assets and is not necessarily indicative of the values that may be realized in an actual liquidation.

(c) *Liquidation Analysis*

As of the Petition Date, 110 Parklands asserted a claim of approximately \$12,000,000. Its predecessor’s own recent appraisal indicated a liquidation value of **\$6,200,000 as of December 2015**, which would provide no value for general unsecured creditors or interest holders and less than full payment for 110 Parklands.

(d) *Feasibility*

The Bankruptcy Code requires a debtor to demonstrate that confirmation of a plan of reorganization is not likely to be followed by the liquidation or the need for further financial reorganization of a debtor unless so provided by the plan of reorganization. For purposes of determining whether the Plan meets this requirement, the Debtor has analyzed its ability to meet the financial obligations as contemplated thereunder. Based upon its analysis, the Debtor believes that it will be able to make all payments required to be made pursuant to the Plan and that it will need no further financial reorganization.

2. Requirements of § 1129(b) of the Bankruptcy Code

The Bankruptcy Court may confirm the Plan over the rejection or deemed rejection of the Plan by a class of claims or equity interests if the Plan “does not discriminate unfairly” and is “fair and equitable” with respect to such class.

(a) *No Unfair Discrimination*

This test applies to classes of claims or equity interests that are of equal priority and are receiving different treatment under a plan of reorganization. The test does not require that the treatment be the same or equivalent, but that such treatment be “fair.”

(b) *Fair and Equitable Test*

This test applies to classes of different priority (e.g., unsecured versus secured) and includes the general requirement that no class of claims receive more than 100% of the allowed amount of the claims in such class. As to the dissenting class, the test sets different standards, depending on the type of claims or interests in such class.

(c) *Secured Claims*

Each holder of an impaired secured claim either (i) retains its liens on the property (or if sold, on the proceeds thereof) to the extent of the allowed amount of its secured claim and receives deferred Cash payments having a value, as of the effective date of the plan, of at least the allowed amount of such claim or (ii) receives the “indubitable equivalent” of its allowed secured claim.

(d) *Unsecured Claims*

Either (i) each holder of an impaired unsecured claim receives or retains under the plan property of a value equal to the amount of its allowed unsecured claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive or retain any property under the plan of reorganization.

(e) *Equity Interests*

Either (i) each equity interest holder will receive or retain under the plan of reorganization property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such stock and (b) the value of the stock, or (ii) the holders of interests that are junior to the equity interests of the dissenting class will not receive or retain any property under the plan of reorganization.

VI.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN OF REORGANIZATION

If the Plan is not confirmed and consummated, the alternatives to the Plan include (i) liquidation of the Debtor under chapter 7 of the Bankruptcy Code and (ii) an alternative chapter 11 plan of reorganization.

A. Liquidation Under Chapter 7

If no plan can be confirmed, the Debtor’s chapter 11 case may be converted to a case under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed to liquidate the assets of the Debtor for distribution in accordance with the priorities established by the Bankruptcy Code. In a chapter 7 liquidation, the Debtor believes that there would likely be no distribution to the holders of Administrative Claims, General Unsecured Claims, or the holders of Equity Interests.

B. Alternative Plan of Reorganization

If the Plan of Reorganization is not confirmed, the Debtor or any other party in interest could attempt to formulate a different chapter 11 plan of reorganization. Such a plan of reorganization might involve either a reorganization or continuation of the Debtor's business or an orderly liquidation of its assets. The Plan, as described herein, enables creditors to be paid in full and provides equity holders to realize the most value under the circumstances.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion summarizes certain U.S. federal income tax consequences of the implementation of the Plan to the Debtor and to the holders of Class 2 Claims. The following summary does not address the U.S. federal income tax consequences to holders whose Claims are unimpaired or otherwise entitled to payment in full in Cash under the Plan (*e.g.*, Administrative Expense Claims, Priority Non-Tax Claims, and certain Secured Claims).

C. Information Reporting and Withholding

All distributions to holders of Claims under the Plan are subject to any applicable tax withholding, including employment tax withholding. Under U.S. federal income tax law, interest, dividends, and other reportable payments may, under certain circumstances, be subject to "backup withholding" at the then applicable withholding rate (currently 28%). Backup withholding generally applies if the holder (a) fails to furnish its social security number or other taxpayer identification number ("TIN"), (b) furnishes an incorrect TIN, (c) fails properly to report interest or dividends, or (d) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct number and that it is a United States person that is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax and the appropriate information is supplied to the IRS. Certain persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions.

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

THE FOREGOING SUMMARY HAS BEEN PROVIDED FOR INFORMATIONAL PURPOSES ONLY. ALL HOLDERS OF CLAIMS RECEIVING A DISTRIBUTION UNDER THE PLAN ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

VII.

CONCLUSION

The Debtor believes that confirmation and implementation of the Plan is in the best interests of all creditors, and urges holders of impaired Claims in Class 1, and Class 2 entitled to vote on the Plan to vote to accept the Plan and to evidence such acceptance by returning their ballots so that they will be received no later than 4:00 p.m. (Eastern Time) on the Voting Deadline.

Dated: September 2, 2016

PARKLANDS OFFICE PARK, LLC

By/s/ James Berman _____

James Berman, Esq.

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