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UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
EASTERN DIVISION

IN RE:)	
)	
DERMOT KIRWAN)	Chapter 11
)	
)	Case No. 15-14012-MSH
Debtor)	
)	

DEBTOR AND THIRD-PARTY PROPONENT'S AMENDED DISCLOSURE STATEMENT WITH RESPECT TO DEBTOR AND THIRD PARTY PROPONENT'S AMENDED PLAN OF REORGANIZATION

I. INTRODUCTION

This Amended Disclosure Statement has been prepared by the above Debtor, Dermot Kirwan and Third Party Proponent, Eastern Insulation, Inc., by their respective counsel.

On October 19, 2015, the above Debtor filed a voluntary petition seeking relief under Chapter 11. The United States Bankruptcy Court has not passed upon the accuracy or content of any of the representations contained herein. Each creditor or party-in-interest is urged to make a determination upon the Amended Plan of Reorganization by Debtor dated September 23, 2016 (the "Plan"), to which this Disclosure Statement pertains, upon his/her/its own particular interests. A copy of the Plan is attached hereto as Exhibit A.

The Debtor is filing a Plan of Reorganization with this Court along with this Disclosure Statement (hereinafter the "Disclosure"). Various definitions indicated in the Plan are specifically incorporated by reference herein.

The Date of this Disclosure Statement is September 27, 2016.

Pursuant to 11 U.S.C. sec. 1125, the Debtor must provide all known creditors with a Disclosure Statement, which has been approved by the Court, after notice and a hearing. The within Disclosure Statement should be reviewed carefully by each and every party in rendering a determination whether to accept or reject the Plan. The Debtor recommends that you vote to accept the Plan. Each creditor should, however, review the Plan and this Disclosure Statement and all of its exhibits carefully, in their entirety, and determine whether or not to accept or reject the Plan based upon that creditor's independent judgment and evaluation. The description of the Plan in this Disclosure Statement is in summary form and is qualified by reference to the actual terms and conditions of the Plan, which should be reviewed carefully before making a decision to accept or reject the Plan.

The purpose of this Disclosure Statement is to provide creditors and note holders adequate information regarding the prior history and current affairs of the Debtor and certain information about the Debtor so as to enable them to make a reasoned judgment on whether or not to vote for the Plan of Reorganization.

NO REPRESENTATIONS CONCERNING THE DEBTOR, PARTICULARLY CONCERNING THE VALUE OF HIS PROPERTY, ARE AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATION MADE TO SECURE ACCEPTANCE OF THE PLAN WHICH IS OTHER THAN AS CONTAINED IN THE DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY ANY CREDITOR.

INFORMATION CONTAINED HEREIN AND THE EXHIBITS ANNEXED HERETO HAVE NOT BEEN SUBJECT TO A CERTIFIED AUDIT. NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY. THE RECORDS KEPT BY THE DEBTOR ARE NOT WARRANTED OR REPRESENTED TO BE WITHOUT ANY INACCURACY OR OMISSION. HOWEVER, EVERY EFFORT HAS BEEN MADE TO BE ACCURATE AND COMPLETE.

The Debtor believes that the Plan will maximize the return to creditors on their Claims. **ACCORDINGLY, THE DEBTOR URGES ALL CREDITORS TO VOTE IN FAVOR OF THE PLAN.**

A summary of the estimates of the Claims in each class and the estimated recovery for each class follows.¹

Type of claim	Estimated Claims	Paid During Chapter 11	Remaining Net Claims	Source of funds	Estimated Recovery	Entitled to Vote
Administrative Claims	\$5000-10,000	Paid by Debtor during case	\$1,000.00	Income and New Value Funds	100%	N/A
Professional Fee Claims	McA: \$120,000	Less McA Payments \$20,000.00	McA \$100,000	New Value Contribution and Debtor's income from operation of businesses	100%	N/A
Administrative Tax Claims ²	\$60,219	\$19,000	41,000	Debtor's income during chapter 11 and New Value funds	100%	N/A
Priority Tax Claims per § 507(a)(8)	\$35,950	\$0.00	\$35,950	Debtor's Income	100%	N/A
Class 1 Secured Claim – Citibank – First Mortgage Claim	\$677,000	\$22,500	\$675,000	Debtor's Income	100%	Yes
Class 2 Secured Claim – Ford Motor Credit	\$32,000	\$8,000	\$24,000	Galway Bay Painting	100% ³	No

¹ Regarding the estimates utilized in the summary: (i) non-professional administrative claims are expected to be minimal because the Debtor's operations continued to pay post-petition administrative costs; (ii) Professional Fee Claims remain subject to Bankruptcy Court approval; and (iii) all claims are subject to review and Debtor does not waive any rights to object to the amount, extent, priority or validity of any claim.

² Debtor will continue to make monthly payments toward the outstanding administrative tax amounts and believes that at confirmation approximately \$6,500 will be outstanding which will be paid by the contribution of new value funds.

³ Debtor is a guarantor on the debt, but Galway Bay Painting is the primary obligor.

Class 3 – General Unsecured Creditors	\$1,230,229	\$0.00	\$1,230,229	Debtor’s Income & Contribution by Eastern Insulation	13% ⁴	Yes
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I. INFORMATION ABOUT THE REORGANIZATION PROCESS

1.1 Purpose Of Disclosure Statement

This Disclosure Statement includes background information about the Debtor and also identifies the classes into which creditors have been placed by the Plan. The Disclosure Statement describes the proposed treatment of each of those classes if the Plan is confirmed. In addition, this Disclosure Statement contains information concerning the Debtor’s future prospects in the event of confirmation or, in the alternative, the prospects if confirmation is denied or the proposed Plan does not become effective.

Upon approval by the Bankruptcy Court, this Disclosure Statement and the Exhibits described will have been found to contain, in accordance with the provisions of the Bankruptcy Code, adequate information of a kind and in sufficient detail that would enable reasonable, hypothetical investor typical of a holder of impaired claims or interests to make an informed judgment about the Plan. Approval of this Disclosure Statement by the Bankruptcy Court, however, does not constitute a recommendation by the Bankruptcy Court either for or against the Plan.

⁴ This is a “pot plan”. The stated percentage amount is solely for estimation purposes and not to be construed as a guaranteed payment amount

1.2 Voting Procedure

All creditors entitled to vote on the Plan may cast their votes for or against the Plan by completing, dating, signing and causing the Ballot Form accompanying this Disclosure Statement to be returned to the following address or via facsimile:

**McAuliffe & Associates, P.C.
430 Lexington Street
Newton, MA 02466
Fax: 617-558-6882**

Ballots must be received **on or before 4:30 P.M. (EST) on _____, 2016** to be counted in the voting. Ballots received after this time will not be counted in the voting unless the Bankruptcy Court so orders.

As prescribed by the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure, Claims asserted against and equity interests in, the Debtor are placed into “classes”. The Plan designates four separate Classes of Claims and Interests. The classification of Claims and Interests and the treatment of each Class is discussed in detail in Debtor’s Plan of Reorganization.

The Debtor believes that the Plan provides the best possible recoveries to the claimants and that acceptance of the Plan is in the best interest of every class of claimants. Accordingly, the Debtor recommends a vote for “ACCEPTANCE” of the Plan.

1.3 Ballots

Accompanying this Disclosure Statement are appropriate Ballots for acceptance or rejection of the Plan. Each party in interest entitled to vote on the Plan will receive a Ballot (for each class of claim or interest to which it belongs). Because some parties may be in more than one class for voting purposes, in some instances more than one Ballot has been included with the Disclosure Statement.

Members of Classes 1 and 3 are impaired and are voting Classes. Each member of a voting Class will be asked to vote for acceptance or rejection of the Plan. A party who holds claims in more than one Class should complete a separate Ballot for each Class with respect to the applicable portion of its claim included in each Class.

Any completed ballot received that does not indicate either an acceptance or rejection of the Plan or that indicates both an acceptance and a rejection of the Plan *will be counted as accepting the Plan.*

1.4 The Confirmation Hearing

The Bankruptcy Court has scheduled a hearing on confirmation of the Plan to commence on _____, 2016 at _____.m., or as soon thereafter as the parties can be heard. The Confirmation Hearing will be held before the Honorable Melvin S. Hoffman, Chief United States Bankruptcy Judge, at the John W. McCormack Post Office and Courthouse, 5 Post Office Square, Boston, Massachusetts. At the hearing, the Bankruptcy Court will consider whether the Plan satisfies the various requirements of the Bankruptcy Code, including whether it is feasible and whether it is in the best interests of holders of claims and interests. The Bankruptcy Court will also receive and consider a Report of Plan Voting prepared by the Debtor and summarizing the votes for acceptance or rejection of the Plan by the parties entitled to vote.

1.5 Acceptances Necessary To Confirm Plan

At the Confirmation Hearing, the Bankruptcy Court must determine, among other things, whether each impaired Class has accepted the Plan. Under Section 1126 of the Bankruptcy Code, an impaired Class is deemed to have accepted the Plan if at least 2/3 in dollar amount and more than 1/2 in number of the Allowed Claims of Class members who have voted to accept or reject the Plan have voted for acceptance of the Plan. Further, unless there is acceptance of the Plan by all members of an impaired Class, the Bankruptcy Court must also determine that under the Plan, Class members will receive property of a value, as of the Effective Date of the Plan,

that is not less than the amount that such Class members would receive or retain if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date of the Plan.

1.6 Confirmation Of The Plan Without The Necessary Acceptances.

The Plan may be confirmed even if it is not accepted by one or all of the impaired Classes if the Bankruptcy Court finds that the Plan does not discriminate unfairly against and is fair and equitable as to such Class or Classes. This provision is set forth in Section 1129(b) of the Bankruptcy Code and requires that, among other things, the claimants must either receive the full value of their claims or, if they receive less, no Class with junior liquidation priority may receive anything. This is known as the “absolute priority rule.”

The Debtor may, at his option, choose to rely on Section 1129(b) to seek confirmation of the Plan if it is not accepted by all impaired Classes of Creditors. The Debtor may make any such modifications or amendments to the Plan, and any such modifications or amendments shall be filed with the Court and served on all parties in interest entitled to receive notice of the Confirmation Hearing, at least one (1) day prior to such hearing. In the event that the Debtors determines to modify or amend the plan to effectuate a “cramdown” the filing and service of the modifications and amendments, if any, in accordance with this paragraph shall be deemed to be adequate notice of the Debtor’s intention to seek “cramdown” and no other notice will be required. In the event that the Debtor determines to seek “cramdown” without modifying or amending the Plan, the Debtor shall not be required to file or serve any notice in connection therewith. All holders of Claims and Interest are hereby advised that the Debtor may seek “cramdown” of the Plan in its current form over the rejecting votes of any impaired Class at the Confirmation Hearing without further notice.

Nothing contained in the foregoing paragraph shall limit the ability of the Debtor or otherwise require the Debtor, without Court Order, to modify the Plan at or before the Confirmation Hearing, subject to Bankruptcy Court approval, without further notice.

II. THE DEBTOR

The Debtor is a native of Galway, Ireland, having come to the United States in 1992. Mr. Kirwan established legal residency in the United States and subsequently became a naturalized U.S. citizen. In 2001, the Debtor formed the painting company, Galway Bay Décor, Inc. (“GB Decor”). GB Decor had many successful years building its core business and working on basic residential and commercial projects and gaining a reputation as a business focusing on high quality interior and exterior work for luxury homes and detailed architectural work. In its best years, GB Decor had approximately 25 employees on a payroll whom completed the painting contracts. The size and number of the employees and total hours of available work would naturally fluctuate with the demand of the business. Not all workers were full time employees and not all of the daily laborers worked full days or complete weeks. The Debtor, however, demanded that each employee perform to a high standard of finish work and be punctual and prompt in completion of the tasks required for each job as assigned. In the Summer or Fall of 2007, the Debtor was introduced by mutual friends to Andrew Fillippone (“Fillippone”). Both men conferred about the idea and opportunity to expand GB Décor’s business through bids on municipal projects that generally included painting as part of larger renovation and improvement contracts of public buildings. Although the Debtor, individually and his company, GB Décor, had absolutely no prior experience with public bidding arrangements, the award of public jobs from a municipality, state agency, or quasi-government agency, or any other experience with contractual arrangements and mandates under local, state and federal law, Fillippone represented to the Debtor that he possessed experience finding and bidding on municipal contracts.

Based on the assurances of Fillippone and his stated experience of “years” of experience in the public bidding process, the Debtor and GB Decor agreed to embark on the uncharted territory of municipal work. As agreed, Mr. Fillippone, took responsibility finding municipal projects and submitting bids to the municipalities for painting work on behalf of GB Decor. The Debtor reviewed the general plans and scope of work of the potential municipal projects but Fillippone prepared the bids and, to the Debtor’s present misfortune, the Debtor did not review the exact calculations and profit and loss estimates of each job because this was the purposed expertise of Fillippone. The Debtor later learned and believes that Fillippone had little or no prior

experience in the bidding of painting jobs. GB Decor was ultimately awarded approximately thirteen municipal contracts.

As GB Décor commenced the public projects in 2008, the Debtor began to review the payroll time requirements of the municipal projects that GB Décor was now contractually obligated to complete at a fixed price. The Debtor realized that the bids were not awarded to GB Décor as a result of Fillippone's skill, good fortune, or expertise winning bids, they were awarded because GB Décor had woefully underbid the projects given the labor and materials required to complete the work.

THE EMPLOYEES- CORDEIRO CLAIMS

GB Décor's residential projects remained profitable, but the economic downturn was quickly reducing the number and scope of those projects and the Debtor realized that GB Décor's viability was at risk if it needed to devote all of its residential project profits to cover the losses from the public projects. The Debtor, on behalf of his company GB Décor, called a meeting and informed all his employees that the municipal jobs at the prevailing pay rate that was required would be impossible to complete and that he would prefer to cancel the work, terminate the jobs and end the problem so the City/Town could obtain a replacement contractor and complete the jobs. The Debtor asked each of the workers their preference: GB Décor could walk off the public projects, lay off the majority of its employees, and focus on a falling residential painting market, or it could keep all present workers through the recession by paying each of them at the municipal jobs the same hourly rate each had earned for the past years on the residential jobs. All employees present decided, on their own initiative, that the best alternative was to continue working on the public jobs at their normal hourly rate because the current work environment evidenced high unemployment and little opportunity. This agreement enabled GB Décor to survive the severe economic recession and provide wages to its employees.

During this time from 2008 to 2010, GB Decor's employees were paid their agreed upon hourly rate of \$15.00 to \$20.00 per hour for the time spent working on the municipal contracts. However, it was also forced to terminate one of its employees after being advised by authorities that the employee was not authorized to lawfully work in the United States, and it terminated another employee due to poor performance. In early 2010, Douglas G. Cordeiro, Deivson G. Cordeiro, Edilson A. Pinto, Edson Borges Junior and Adilson Cordeiro (hereinafter the "Wage

Litigants”) filed suit in Middlesex Superior Court against GB Décor and Kirwan, individually as a responsible officer for, *inter alia*, failure to pay the prevailing wage and failure to pay overtime wage. Pursuant to M.G.L. ch. 149 §§ 26-27, the Wage Litigants alleged that GB Décor was required to pay the Wage Litigants approximately \$50.44 per hour for municipal contract work, and one and one half times their normal hourly rate for weeks wherein they performed more than 40 hours of work.

On January 19, 2010 the Wage Litigants obtained a Trustee Process attachment in the amount of \$450,000, against Debtor’s bank account at Citizen’s Bank, N.A, which at that time held \$47,000. Despite the fact that the Wage Litigants had agreed to receive their normal residential hourly rate for municipal project work and the fact that GB Decor could not have completed the municipal jobs at the prevailing wage rates, M.G.L. ch. 149 §§ 26-27 is a strict liability statute which provides no such defenses to overcome liability and imposes treble damages. In March 2014, after a two week jury trial, GB Décor was found liable and the Wage Litigants were awarded approximately \$805,307.87 by the Middlesex County Superior Court, inclusive of treble damages, costs, fees, and interest. Under the statute, GB Décor’s liability attaches jointly and severally to the Debtor, individually, as a “responsible party”. The Debtor appealed the decision due to the improper allowance of testimony outside the courtroom and improper admission of certain evidence, including paychecks and timesheets. After consideration of the costs of appeal and the prospect that, if successful with the appeal, the case would likely be remanded back to the trial court for further trial, in May 2015, the Debtor elected to dismiss the appeal.

Thereafter the Wage Litigants received the \$47,000 in funds from the Citizen’s Bank attachments on a motion to charge the Trustee. The claim of Citizen’s Bank in Debtor’s case arises from the Wage Litigant attachment against an unsecured business line of credit. The amount of the Citizens claim includes interest and accruals from 2010 to the present and Citizens’ obtained a writ of attachment prior to the Debtor filing his petition in this case. In addition, both Citizens and the Wage Litigants recorded their respective attachment and executions against the Debtor’s residence in Waltham, Massachusetts. The Bankruptcy court has recently allowed motions to “strip” these liens from the Debtor’s residence pursuant to 11 USC 522(f).

In 2014, the Debtor determined that GB Décor no longer remained a viable commercial enterprise and decided to cease running a painting company, with employees who completed the contracts. It ceased operations and terminated all remaining employees. In order to wind up the company, the Debtor collected any outstanding receivables and used those funds to pay GB Décor's taxes and ordinary course trade creditors. On October 5, 2015 GB Décor filed for chapter 7 protection under the United States Bankruptcy Code⁵.

In October 2014, Debtor formed Galway Bay Painting, Inc. ("GB Painting"), which business operates primarily as a brokerage company for painting services. GB Painting focuses on high-end residential homes and, through the Debtor as well as contractors and other laborers focused on the high-end residential market, pursues leads on residential work via word of mouth and referrals, (both renovation and new construction) in need of high-end or specialized painting services. GB Painting then works with the owner or general contractor to obtain the contract, while GB Painting simultaneously contacts available subcontractors capable of skilled performance. Although GB Painting has protected its standards and reputation by occasionally hiring different contract laborers if the subcontractor chosen cannot complete the work in a timely manner. GB Painting has no employees other than the Debtor and an occasional temporary worker who may perform punch list or other small day jobs and follow up work.. Likewise, given that municipal projects from 2008-2010 brought about the demise of GB Decor, GB Painting does not act as a broker for any public or municipal projects. No assets of GB Decor were transferred to GB Painting.

After obtaining judgment against the Debtor, counsel for the Wage Litigants began a relentless campaign of collection and harassment of the Debtor and clients of GB Painting (an entity that was not a judgment debtor and had no liability to the Wage Litigants) in order to collect on the judgment. The Wage Litigants' Counsel commenced numerous competing lawsuits in district and superior courts by choosing to represent a single Wage Litigant for each individual case, which impeded Debtor's ability to work and required Debtor (or counsel) to attend hearings, and respond to and defend pleadings, in multiple venues at virtually the same time. The Wage Litigants' Counsel also hired a private investigator to follow the Debtor throughout the day, which resulted in GB Painting's clients receiving subpoenas relating to GB Décor. After such customers retained counsel and attempted to cooperate with Wage Litigants'

⁵ Case No. 15-13848-MSH

Counsel, they were served with further process and demands by the Wage Litigants' counsel, which resulted in GB Painting's customers threatening to cease work with GB Painting and/or terminate it from its contracts. All this civil process and unceasingly collection activity pushed the Debtor to a last resort option to file a Chapter 11 or otherwise be forced to close his business.

In addition, Debtor's mortgage company had commenced foreclosure proceedings against the Debtor.

With his mortgage lender foreclosing on his home and with five different judgment creditors each seeking their own attachments, levies, and garnishments to the detriment of each of the others (as well as Citizen's Bank filing a Civil Action and obtaining an attachment on the Debtor's residence), Debtor decided to file the within bankruptcy proceeding in order to establish a plan to pay all of his creditors their equal share in the proper order of priority. The Debtor has continued to operate his business GB Painting and had invested funds in Eastern Insulation ("Eastern"), a separate and distinct business from which the Debtor receives a small monthly salary. Eastern is a Proponent of the Debtor's Plan and will participate in the settlement of any of the claims held by the Ch. 7 Trustee of the GB Décor case

III. CHAPTER 11 PROCEEDINGS

Non-Dischargeability Adversary Proceeding

Since the filing of Debtor's bankruptcy case, on November 23, 2015 the Wage Litigants filed an adversary proceeding⁶ asserting three claims of non-dischargeability against the Debtor. The Debtor has answered the Complaint and filed a motion to dismiss Count III of the Complaint, which asserted *inter alia* non-dischargeability due to the transfer of Debtor's business (Galway Bay Décor to Galway Bay Painting). A hearing on the motion to dismiss was held on April 26, 2016 and on September 20, 2016 this Court granted Debtor's motion to dismiss Count III of the Adversary Proceeding Complaint.. Discovery as to Counts 1 and 2 concluded in or around June 6, 2016. On June 18, 2016 Wage Litigants filed a motion for summary judgment. Debtor opposed the motion and on July 27, 2016 this Court denied Wage Litigants motion for summary judgment.

⁶ 15-01225

Debtor anticipates a pre-trial conference will be scheduled by the Court and after the pre-trial conference the Court will schedule a trial on the Complaint. Debtor intends to vigorously defend the case filed by the Wage Litigants and believes that he has a likelihood of success on the merits and legal standards relevant to the adversary proceeding. In the event the Debtor is successful in his defense of the case, the debts of the Wage Litigants would be discharged after completion of the Plan payments outlined in the Plan. In the event the Debtor does not prevail in the adversary proceeding and the Wage Litigants' claims, in whole or in part, are determined to be non-dischargeable, Debtor will pay the claim pursuant to this Plan for five years. During the five years of the Plan, the Debtor will request that the Wage Litigants be stayed from collecting on the non-dischargeable portion of the claim. In order to fund this Plan, Debtor must use his sources of income which arise from income generated by Galway Bay Painting and Eastern Insulation. Any collection efforts against the Debtor by the Wage Litigants would substantially impact Debtor's ability to make Plan payments, therefore a stay on any collection against the Debtor and Debtor's companies, will be in effect for the term of the Plan.

Further, in accordance with *In re Juan C. Mendez*, 464 B.R. 63 (D. Mass 2011), Debtor will seek an order to close his case for administrative purposes after confirmation of his Plan, the conclusion of the Adversary Proceeding and after initial distributions to creditors have been made. The Debtor will seek confirmation from the Court that the automatic stay of 11 U.S.C. § 362 continues until Debtor receives his discharge.

Case Proceedings

In addition, the Wage Litigants filed a motion on January 9, 2016 to conduct a Rule 2004 examination of the Debtor. Debtor objected to the broad scope of the examination and subsequently, the Court allowed the 2004 motion provided it was significantly narrowed. Debtor provided certain requested documents and attended two depositions by counsel to the Wage Litigants on April 6, 2016 and April 15, 2016. In addition, Debtor's counsel attended the deposition of Andrew Fillippone conducted by counsel to the Wage Litigants. The Wage Litigants held a third deposition of the Debtor and issued subpoenas to Debtor's bank, credit card companies, and insurance company, as well as numerous municipalities through the state.

Further, on March 24, 2016 the United States Trustee filed a motion to convert Debtor's case. Debtor filed an opposition on April 19, 2016 and a hearing was held on April 26, 2016 and continued to June 1, 2016. The Wage Litigants also filed a response to the Trustee's motion seeking dismissal of Debtor's chapter 11 case. This hearing has been continued to November 2, 2016.

Debtor's counsel has also filed (1) *Motion for Adoption of the Case Management Procedures Set Forth in Appendix 6, Massachusetts Local Bankruptcy Rules Relating to Periodic Interim Payment of Legal Fees and Expenses to Debtor's Counsel* (docket 81, on April 21, 2016); (2) *Motion to Employ Accountant* (docket no. 103, on May 3, 2016); and (3) *Motion to Extend Debtor's Exclusive Periods for Filing and Obtaining Acceptances of Plan of Reorganization Pursuant to 11 U.S.C. § 1121(d)* (docket no 51, on February 16, 2016). All motions were objected to by the Wage Litigants and all were approved by the Court. The Court has also allowed the Debtor's motion to avoid the judicial liens of each of the Wage Litigants and Citizen's Bank, over a response/objection of the Wage Litigants.

In addition, on April 25, 2016 Debtor and his mortgage lender, Nationstar Mortgage as servicer for Citibank NA, entered into a stipulation with respect to the adequate protection payments on Citibank's secured lien. The Wage Litigants filed an objection to the stipulation, which was ultimately approved by the Court on June 21, 2016 and requires Debtor to make payments of \$4,500 of principal, interest and escrow to his mortgage company. On May 27, 2016 Debtor filed his Disclosure Statement and Plan of Reorganization (docket nos. 134 and 135) and on June 29, 2016 the Wage Litigants filed an objection to the adequacy of the Disclosure Statement (docket no. 151). In addition, the Wage Litigants filed additional supplemental objections to the Disclosure Statement on July 4, 2016 (docket no. 154) and August 2, 2016 (docket no. 167). Citibank, N.A., Debtor's mortgagee, also filed an objection to the Disclosure Statement on June 29, 2016 (docket no. 152) however Debtor believes it has resolved the objections and concerns of Citibank through this Amended Disclosure Statement. Finally on August 15, 2016, the United States Trustee filed an objection to the Disclosure Statement. Debtor had previously conferred with the Trustee regarding her objections and agreed to address those issues and concerns in this amended disclosure statement. A hearing on the adequacy of the Debtor's Disclosure Statement was held on August 16, 2016 and Debtor agreed to file an amended disclosure statement to address the concerns raised.

In addition to the various objections filed by the Wage Litigants, on July 4, 2016 the Wage Litigants filed a motion for order to show cause (docket no. 155) against the Debtor asserting that Debtor has failed to disclose all of his income. Debtor denied these allegations and filed an opposition on July 18, 2016 (docket no. 158) stating the same and on July 27, 2016 this Court denied the Wage Litigants motion (docket no. 162).

Galway Bay Décor, Inc., Bankruptcy Case

As previously stated, Galway Bay Décor, Inc., filed a chapter 7 voluntary petition on October 5, 2015. Debtor was the 100% shareholder of Galway Bay Décor, Inc. In this pending chapter 7, counsel to the Wage Litigants filed an adversary proceeding on October 26, 2015 asserting claims of nondischargeability. The Wage Litigants subsequently amended their adversary complaint on November 25, 2015 against Galway Bay Décor, Inc. and Galway Bay Painting, Inc., asserting claims for, *inter alia* (1) Declaratory Judgment – Piercing the Corporate Veil; (2) Declaratory Judgment – Successor Liability; (3) Declaratory Judgment – Fraudulent Transfer; and (4) Substantive Consolidation. Counsel for GB Décor moved to dismiss the complaint for lack of standing and, as Debtor is the 100% shareholder of GB Painting, and GB Painting is the source of Debtor's income to make payments under this Plan, Debtor's counsel also filed a motion to dismiss the GB Decor adversary proceeding due to the Wage Litigant's lack of standing. A hearing was held on March 8, 2016, at which time GB Décor's Judge (Hon. Joan N. Feeney) transferred the entire adversary and bankruptcy case to Judge Melvin S. Hoffman. A hearing was originally scheduled on this matter for June 21, 2016 and was continued to July 27, 2016 and a further hearing is scheduled for August 16, 2016. On August 15, 2016 the Chapter 7 Trustee filed a Motion to Substitute Party, which Debtor did not oppose, and the Motion was allowed by the Court on August 15, 2016.

The Debtor, and GB Painting deny all allegations asserted by the Chapter 7 Trustee..

Settlement with John Desmond, Chapter 7 Trustee

In order to avoid the expense and delay of litigation, the Debtor, Galway Bay Painting, Eastern Insulation and John Desmond, the Chapter 7 Trustee of the Galway Bay Décor, Inc.,

Estate, have reached a settlement, in principle, of all claims⁷. As will be further outlined in a motion to approve compromise under Bankr. Rule 9019, which Debtor will file prior to any hearing on the adequacy of this Disclosure Statement, the Parties are currently working to formalize the settlement agreement in writing. In full settlement and release of all claims held by the Chapter 7 Trustee, the parties have agreed (in principle) to the following: (1) upon approval of the settlement agreement, the Trustee will hold an allowed claim of \$200,000 against the Debtor, to be paid in accordance with the terms of Class Three of this Plan; (2) within 7 days of Execution of the Settlement a \$5,000.00 non-refundable payment shall be made to the Ch. 7 Trustee. Upon approval of the settlement agreement, Galway Bay Painting will pay the Trustee \$22,300 ; and (3) upon approval of the settlement agreement, Eastern Insulation will make bi-annual payments in the amount of \$4,500 to the Trustee for five years beginning on the Effective Date of this Plan.

Debtor's Real Property

Debtor owns the real property located at 41-43 Lyman Street, Waltham, Massachusetts a two family residence with a rental unit on the first floor, (the "Real Property"). In February 2016 Debtor obtained an appraisal of his Real Property and the property is currently valued at \$650,000. Debtor's first mortgagee (Citibank, N.A) holds a claim against the Debtor in the amount of \$677,124.03 (as of 2/19/16) and Debtor's second mortgagee (E* Trade Bank) holds a claim against the Debtor in the amount of \$106,222.18 (as of 10/19/15). Further, the Wage Litigants recorded the judgment executions in the total amount of \$805,307.87⁸ on June 12, 2015 (which related back to their attachment of January 25, 2010) and Citizen's Bank recorded a writ of attachment in the amount of \$104,000 on August 17, 2015. On May 2, 2016, Debtor filed motions to avoid the liens of each Wage Litigant as well as Citizen's Bank pursuant to 11 U.S.C. § 522. The motions against the Wage Litigants was allowed on May 17, 2016 and the motion against Citizen's Bank was allowed on May 20, 2016.

In accordance with 11 U.S.C. § 506, Debtor asserts that the claim of E*Trade is wholly undersecured and therefore the lien will be stripped from the property.

⁷ This is an outline of the proposed settlement, but the final settlement agreement agreed to by the Parties and approved by this Court will be the controlling terms.

⁸ Each defendant filed separate Judgment Executions in various amounts.

Secured Creditors

1. Citibank, N.A., as Trustee for NRZ Pass-Through Trust VI (Citibank)

Citibank holds a first-priority mortgage against the Debtor's principal residence located at 41-43 Lyman Street, Waltham, Massachusetts. The mortgage is currently serviced by Nationstar Mortgage. Citibank asserts a claim in the approximate amount of \$677,124.03. Debtor believes the property is worth approximately \$650,000 (see Appraisal as Exhibit B). Debtor's monthly payments is approximately \$4,500, which includes an escrow payment for real estate taxes and homeowners insurance.

2. Ford Motor Credit

Ford Motor Credit holds a secured claim against a 2015 F-150 Pickup Truck driven and used by the Debtor. This Truck is registered in the name of Galway Bay Painting, but the Debtor is a guarantor on the loan. There is approximately \$24,000 owed on the vehicle and is paid monthly in the amount of \$798.68 by Galway Bay Painting.

Third Party Proponent – Eastern Insulation

In mid-2015, Debtor was approached by an acquaintance, Marc Harrison, to start a foam insulation company. Mr. Harrison had experience working in the construction and building industry including work with insulation applications. Debtor determined investment in this company would be a good venture and could potentially provide Debtor with an additional stream of income.

During 2015, Debtor, individually and through GB Painting, provided approximately \$150,000 to Eastern Insulation, which was used to purchase equipment, trucks, supplies and insulation inventory to use at jobsites. Debtor is the 51% shareholder and President of Eastern Insulation, but he does not run the day-to-day operations. Marc Harrison is the 49% shareholder, the Treasurer of the company and runs the operations. Debtor receives a weekly \$500 paycheck from Eastern.

John Desmond, the Chapter 7 Trustee of GB Décor, asserts that the funds provided to Eastern Insulation may constitute fraudulent transfers of assets by GB Painting. While no complaint has been brought against Eastern Insulation, and the Debtor does not believe that the Trustee would prevail in any litigation arising from the investment of funds in Eastern Insulation, in order to avoid the cost and disruption of any such litigation. Eastern Insulation has agreed to provide payments in order to assist in the funding of the Debtor's Plan. In exchange for the payments towards the Debtor's Plan, Eastern Insulation will receive a release of any claims against it arising from or related to GB Décor, its bankruptcy estate and trustee, GB Painting, and any entity claiming by or through those entities.

New Value

On the Effective Date, the Debtor will provide the Estate with \$30,000 from Peter Murray of Wellesley, Massachusetts, a third party in order to pay administrative expenses and initial confirmation costs. Mr. Murray, is an unrelated third-party, whom has personally known the Debtor for more than 16 years and he has agreed to provide the Debtor with the funds needed for his bankruptcy case. In addition, the Debtor has known Mr. Murray's family since he was a teenager and grew up with Mr. Murray's siblings in Ireland. Mr. Murray owns his own custom carpentry and cabinetry company in Framingham MA., Fine Finish, Inc. and has pledged sufficient funds to provide the new value funds to the Debtor. These funds will be deposited with Debtor's counsel 2 weeks prior to the Confirmation Hearing.

Debtor's monthly payments is approximately \$4,500, which includes an escrow payment for real estate taxes and homeowners insurance.

IV. PLAN OF REORGANIZATION

4.1 Unclassified Claims.⁹

⁹ Any description in this section of the Disclosure Statement of any claim against the Debtor does not constitute an admission that the claim is an Allowed Claim or that the Debtor agrees with the amount of the claim. The Debtor reserves all of its rights, claims and defenses with respect to any and all claims.

As provided in Section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims are not classified for the purposes of voting on, or receiving distributions under, the Plan. All such Claims are instead treated separately in accordance with the terms set forth in Article II of the Plan.

A. Administrative Expense Claims.

The Debtor is liable for all post-petition administrative claims that accrue prior to Plan confirmation. Exclusive of Professional Fees and Tax Claims, the Debtor estimates that there will be minimal administrative expense claims. For the period from the Petition Date through the date of this Disclosure Statement, the Debtor utilized his income to pay all administrative claims as those claims arose.

Under the Plan, Administrative Expense Claims are treated as follows:

(1) General. Except for Professional Fee Claims and except as otherwise agreed to by the Debtor and the holder of an Allowed Administrative Expense Claim, each such holder shall be paid in full in Cash on the later of: (i) the date such Allowed Administrative Expense Claim becomes due in accordance with its terms; and (ii) the Effective Date. If the Debtor disputes any portion of an Administrative Expense Claim, the Debtor shall pay the Allowed amount of such Administrative Expense Claim within five (5) days after the entry of a Non-Appealable Order with respect to the allowance of such disputed Administrative Expense Claim.

(2) U.S. Trustee's Fees. The outstanding fees due to the United States Trustee pursuant to 11 U.S.C. § 1930 shall be paid in full on or before the Effective Date.

(3) Professional Compensation and Expense Reimbursement Claims.

- (i) Within thirty (30) days after the Effective Date, each Professional shall file a final application for the allowance of compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date. Any such application granted by the Bankruptcy Court shall be paid: (1) within fifteen days of the entry of the order of the Bankruptcy Court approving such application, unless a stay of the order approving the application is obtained; or (2) upon such other terms as may be mutually agreed upon between the Professional and the Debtor or Reorganized Debtor. Debtor estimates that Debtor's counsel will be owed approximately \$100,000 in legal fees and costs on the Effective Date. Debtor believes any other administrative fees will be minimal.

- (ii) All fees and expenses of Professionals for services rendered after the Effective Date shall be paid by the Reorganized Debtor upon receipt of reasonably detailed invoices in such amounts and on such terms as such Professional and the Reorganized Debtor may agree. No further order or authorization from the Bankruptcy Court shall be necessary to permit the Reorganized Debtor to pay the fees and expenses of Professionals for services rendered after the Effective Date.

(4) Administrative Tax Claims Except as otherwise agreed to between Debtor and the holder of an Allowed Administrative Tax Claim, each such holder shall be paid in full in Cash on the later of: (i) the date such Allowed Administrative Tax Claim becomes due in accordance with its terms; and (ii) the Effective Date. Debtor will begin making payments toward the outstanding Administrative Tax Claims before the Effective Date. If the Debtor disputes any portion of an Administrative Tax Claim, the Debtors shall pay the Allowed amount of such Administrative Tax Claim within five (5) days after the entry of a Non-Appealable Order with respect to the allowance of such disputed Administrative Tax Claim. Debtor has filed all federal and state tax returns through 2015. Debtor owes approximately \$50,000 to the Internal Revenue Service for 2015 income taxes and approximately \$10,219.05 to the Massachusetts Department of Revenue for 2015 income taxes. Debtor has commenced making payments¹⁰ to the taxing authorities and will continue to do so until Plan Confirmation. The Debtor believes that on or before the Effective Date all outstanding administrative taxes will be paid.

B. Priority Tax Claims.

At the sole election of the Debtor, each holder of an Allowed Priority Tax Claim shall be paid either: (a) upon such terms as may be agreed to between the Debtor and the holder of an Allowed Priority Tax Claim; (b) in full in Cash on the later of the Effective Date or the date that such Allowed Priority Tax Claim would have been due if the Bankruptcy Case had not been commenced; or (c) in installment payments of Cash commencing on the Effective Date and (i) of a total value as of the Effective Date equal to the Allowed amount of such Claim, (ii) over a period ending not later than five (5) years from the Petition Date, and (iii) in a manner not less favorable than the most favored General Unsecured Claim under the Plan. The Debtor estimates there is approximately \$26,398 owed to the Internal Revenue Service and \$6,128 to the Massachusetts Department Revenue.

¹⁰ On July 28, 2016 Debtor issued a check to the Internal Revenue Service in the amount of \$7,500 and to the Massachusetts Department of Revenue in the amount of \$1,500 and on August 31, 2016 Debtor made a payment of \$7,000 to the Internal Revenue Service and \$3,000 to the Massachusetts Department of Revenue. Debtor anticipates that by the Effective Date of his Plan he will owe approximately \$5,000 to the IRS and \$1,500 to the MDOR and will pay those amounts in full on the Effective Date.

4.2 Classification.

The Claims against and Equity Interests in the Debtor are categorized below for all purposes under the Plan including voting, confirmation and distribution pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or Equity Interest is classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim or Equity Interest falls within the description of such other Classes. A Claim is placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released or otherwise settled prior to the Effective Date.

4.2.1 Class 1 – Citibank N.A.e.

- (a) Classification. Class 1 consists of the Citibank, N.A., as Trustee for NRZ Pass-Through Trust VI, Secured Claims. Citibank holds a first priority mortgage-lien on Debtor's principal residence located at 41-43 Lyman Street, Waltham, Massachusetts.
- (b) Impairment and Voting. The Allowed Citibank Secured Claim is impaired under the Plan. The holder of the Allowed Citibank Secured Claim shall be entitled to vote to accept or reject the Plan.
- (c) Claim Treatment. In full and complete satisfaction, settlement, discharge and release of the Allowed Citibank Secured Claim, the holder of the Allowed Citibank Secured Claim shall receive a Plan Note on the Effective Date in the amount of Citibank's allowed claim, at 5% interest rate, amortized and payable over 30 years in equal monthly installments of principal and interest, , or (ii) treatment as agreed between the respective Debtor and the holder of the Allowed Citibank Secured Claim.
- (d) Liens. The Liens held by the holder of the Allowed Citibank Secured Claim shall be treated as follows.
 - (i) Retention of Liens. The Liens on Citibank's Collateral shall be retained by the holder of the Allowed Citibank Claim to secure the payment of the Allowed Citibank Claim pursuant to the Plan.
 - (ii) Discharge of Liens. Upon payment in full of the Allowed Citibank Secured Claim against the Debtor: (i) all Liens securing the Allowed Citibank Secured Claim against the Debtor shall be deemed canceled, discharged and released, and (ii) the holder of the Allowed Citibank Secured Claim shall deliver to the Reorganized Debtor, within one (1) Business Day of the payment in full of the Allowed Citibank Secured Claim, all mortgage

discharges and any other documents necessary to effect the discharge and release of the Liens on the Debtor's Property.

- (e) Indubitable Equivalent. The holder of the Allowed Citibank Secured Claim shall receive such additional or other treatment as may be necessary, as agreed to between the Debtor and the holder of the Allowed Citibank Claim or as determined by the Bankruptcy Court, to permit the holder of the Allowed Citibank Secured Claim to realize the indubitable equivalent of its Allowed Claim.
- (f) Loan Documents. As of the Effective Date, the Citibank Loan Documents shall be deemed amended and restated, without further action, as necessary to reflect and incorporate the terms of the Plan. To the extent that there is any inconsistency between the Plan and any of the Citibank Loan Documents, the terms of the Plan shall control.

(1). No later than thirty (30) days after the Effective Date, Citibank must provide the Debtor and counsel to the Debtor (i) a document entitled "Modified Loan Summary" which includes the principal amount due, interest rate, the term of the modified loan, an amortization schedule for the modified loan, and the terms of any tax or insurance expense escrow account, as set forth in the Plan; and (ii) monthly bills in the amount due on account of installment payments on the modified secured claim, as set forth in the Plan. Said monthly bills shall be sent to the Debtor at the address listed on the bankruptcy petition or such other address as the Debtor shall instruct by change of address procedures established by the holder of the secured claim or its agent, shall be in the form sent to other borrowers (e.g., detachable payments receipts and return envelopes) and shall be mailed to the Debtor no later than eighteen (18) days before the due date of any monthly installment payment. Failure of Citibank, or its agent to comply with this Plan provision shall entitle the Debtor to seek all appropriate remedies, including civil contempt, damages or monetary or non-monetary sanctions.

(2). Citibank shall send Debtor his IRS Form 1098 and all other tax forms annually and shall report all payments made by the Debtor the all credit reporting agencies.

4.2.2 Class 2 – Allowed Claim of Ford Motor Credit

- (a) Classification. Class 2 consists of the Allowed Ford Motor Credit's Secured Claim
- (b) Impairment and Voting. The Allowed Ford Motor Credit Claim is unimpaired under the Plan. The holder of the Allowed Ford Motor Credit's Claim shall not be entitled to vote to accept or reject the Plan.

- (c) Claim Treatment. In full and complete satisfaction, settlement, discharge and release of the Allowed Ford Motor Credit's Claim, the holder of the Ford Motor Credit's Claim shall receive either: (i) payments in accordance with contract; or (ii) treatment as agreed between Debtor and the holder of the Allowed Ford Motor Credit's Claim
- (d) Liens. Ford Motor Credit shall retain its lien against the vehicle.
- (e) Discharge of Liens. Upon payment in full of the Allowed Ford Motor Credit: (i) all Liens securing the Allowed Ford Motor's Claim against the Debtor shall be deemed canceled, discharged and released, and (ii) the holder of the Allowed Ford Motor's Claim shall deliver to the Reorganized Debtor, all lien releases and any other documents necessary to effect the discharge and release of the Liens on the vehicle.

4.2.3 Class 3 - Allowed General Unsecured Creditors

- (a) Classification. Class 3 consists of the Allowed General Unsecured Claims against the Debtor.
- (b) Impairment and Voting. Class 3 is impaired under the Plan. Each holder of a General Unsecured Claim shall be entitled to vote to accept or reject the Plan.
- (c) Claim Treatment. In full and complete satisfaction, settlement, release and discharge, each holder of an Allowed General Unsecured Claim shall receive, commencing upon the later to occur of the Effective Date or the date such Claim becomes an Allowed Claim, one of the following: (a) bi-annual payments of a Pro Rata share of the Plan Fund; or (b) treatment as agreed between the Debtor or the Reorganized Debtor and the holder of the Allowed Class 3 General Unsecured Claims. Debtor anticipates that Class 3 Claimants will receive approximately an estimated 13%¹¹ dividend on their allowed Claim.

4.3 Reservation of Rights With Respect to Claims.

The Debtor reserves the right to, among other things, (a) contest the right of the holder of any Claim to vote on the Plan, or designate the vote of the holder of any Claim (b) contest the

¹¹ This is a "pot plan". The stated percentage amount is solely for estimation purposes and not to be construed as a guaranteed payment amount.

right of the holder of any Claim to receive distributions under the Plan, and (c) seek to subordinate any Claim for inequitable conduct or otherwise.

4.4 Plan Implementation.

The Plan will be funded from contribution of new value from Peter Murray, from third party contributions by Eastern Insulation, and Debtor's income.

Prior to Confirmation, Peter Murray will deposit \$30,000 with Debtor's counsel to pay outstanding administrative claims, including administrative taxes, and these funds will be used to pay a portion of Debtor's counsel fees. The Debtor will deposit \$15,800 with Debtor's counsel for payment of the initial distribution to the Class Three claimants (\$15,000) and the initial distribution to the priority tax payments (\$800). Eastern Insulation will also deposit \$1,500 with Debtor's counsel to pay the Class Three initial distribution. Debtor's counsel will hold these funds in escrow until the Confirmation Order has entered at which time Debtor's counsel will make distributions in accordance with the terms of this Plan.

V. FEASIBILITY OF PROPOSED PLAN

Based upon the best available information, the Plan is feasible and confirmation of the Plan is not likely to be followed by the need for further financial reorganization of the Reorganized Debtor.

VI. OTHER PROVISIONS

6.1 Vesting of Property.

Except as otherwise provided in the Plan, the Reorganized Debtor, as of Confirmation, shall be vested with all of the assets of the Debtor.

6.2 Preservation of Causes of Action.

Except as provided in, and unless expressly waived, relinquished, exculpated, released, compromised or settled in the Plan, the Confirmation Order, any Non-Appealable Order, or in

any contract, instrument, release or other agreement entered into or delivered in connection with the Plan, the Reorganized Debtor will exclusively retain and may enforce, and the Debtor expressly reserves and preserves for these purposes, in accordance with sections 1123(a)(5)(A) of the Bankruptcy Code, any Claims, demands, rights and Causes of Action that the Debtor or his Estates may hold against any person or entity. No preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches shall apply to them by virtue of or in connection with the confirmation, consummation of effectiveness of the Plan.

6.3 Debtors' Continued Existence.

Upon Confirmation, the Reorganized Debtor shall be vested with the standing of and with all rights, powers and benefits afforded to a "trustee" under the Bankruptcy Code.

6.4 Default.

No event of default under the Plan shall occur unless, in the event of a breach of the Debtor's or the Reorganized Debtor's obligations under the Plan, the holder of the Allowed Claim asserting the default shall provide written notice of such breach to the Reorganized Debtor and such breach is not cured: (i) in the event of a breach that can be cured by the payment of a sum of money, within ten (10) days of the Reorganized Debtor's receipt of such notice; and (ii) for any other breach, within thirty (30) days of the Reorganized Debtor's receipt of such notice, provided that, if such non-monetary breach cannot reasonably be cured within such 30-day period and the Reorganized Debtor's has commenced curing such breach and continue to cure such breach, the thirty (30) day period shall be extended for such time as is reasonably necessary to cure such breach. In the event the Reorganized Debtor or Third Party Proponent defaults on his/its obligation to make the contributions or payments due under the Plan, Mr. McAuliffe, as disbursing agent, shall notify the Court and the United States Trustee of such default/failure by filing a written statement with the Court and servicing all parties.

6.5 Compromises.

After the Effective Date and except as otherwise provided in the Plan, the Reorganized Debtor is authorized, without further Bankruptcy Court order or notice to creditors and/or parties in interest, to compromise, settle and/or otherwise dispose of any disputed Claims and/or Causes of Action provided that the amount in controversy is \$25,000 or less. If the amount in controversy is greater than \$25,000, then the Reorganized Debtor must seek Bankruptcy Court approval.

6.6 Retention of Professionals.

The Reorganized Debtor may retain such attorneys (including special counsel), accountants, advisors, expert witnesses, and other professionals as it considers advisable without necessity of approval of the Court. Persons who served as Professionals to the Debtor prior to the Effective Date may provide services to the Reorganized Debtor. The fees and expenses of the

Reorganized Debtor and professionals retained by it shall be paid by the Debtor in the ordinary course of business without the need for the approval of the Bankruptcy Court.

6.7 Final Decree and Discharge.

It shall be the exclusive duty of the Reorganized Debtor to prepare and file a motion requesting that the Court enter a Final Decree in the Bankruptcy Case. Upon achieving substantial consummation of the confirmed Plan and resolution of any pending adversary proceeding, the Reorganized Debtor shall promptly file a motion for final decree to close the case for administrative purposes.

Upon completion of the payments due under the Plan, the Reorganized Debtor shall move to reopen the case in order to obtain the Debtor's discharge per 11 U.S.C. § 1141(d)(5). **6.8**

Assumption of Executory Contracts and Unexpired Leases.

The Debtor shall assume or reject executory contracts and unexpired leases as set forth in Sections 5.2(d) and (e) of the Plan. The entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of the assumption and assignment or rejection of such executory contracts and unexpired leases. Upon the Effective Date: (i) the Assumed Leases shall be deemed valid, binding and in full force and effect in accordance with their terms; (ii) the applicable Acquirer shall succeed to the entirety of the applicable Debtor's rights and obligations in the Assumed Lease first arising and attributable to the time period occurring on or after the Effective Date; (iii) all defaults (monetary and non-monetary) under the Assumed Leases through the Effective Date shall be deemed cured and satisfied through the payment of the applicable Allowed Cure Claim, if any, for such Assumed Lease; (iv) no other amounts will be owed by the Debtors, their Estates or the Acquirers with respect to amounts first arising or accruing during, or attributable or related to, the period before the Effective Date with respect to the Assumed Leases, (v) any and all persons or entities shall be forever barred and estopped from asserting a Claim against the Debtors, their Estates, and/or the Acquirers under, arising from or related to the Assumed Leases that arose or accrued, or relate to or are attributable to the period before the Effective Date; and (vi) any provision of the Assumed Leases or applicable non-bankruptcy law that purport to prohibit, restrict, or condition, or could be construed as prohibiting, restricting, or conditioning assignment of any of the Assumed Leases shall be deemed to have been satisfied or otherwise unenforceable under Section 365 of the Bankruptcy Code.

6.9 Payments Related to the Assumption of Executory Contracts and Unexpired Leases.

A. Payment of Claims Arising from Assumed Contracts and Leases. Any Allowed Claims arising from the assumption of an executory contract or unexpired lease will receive, in full and complete satisfaction, settlement, release and discharge of such Claims and at the election of the Acquirers, either: (i) payment in the ordinary course of business as and when such Allowed Claims become due pursuant to such executory contract or unexpired lease, or (ii)

payment as agreed between the applicable Acquirer and the counter-party to the assumed contract or lease.

B. Disputed Claims and Bar Date. If there is a dispute regarding (i) the amount of any claim arising from the assumption or rejection of an executory contract or unexpired lease, (ii) the ability of the applicable assignee to provide “adequate assurance of future performance,” within the meaning of Section 365 of the Bankruptcy Code, under a contract or lease to be assumed, or (iii) any other matter pertaining to the assumption or assumption and assignment of any contract or lease, the payment of any Claim related to the foregoing will be made following entry of a Non-Appealable Order resolving the dispute and approving the assumption.

6.10 Rejection Damage Claims.

If the rejection of an executory contract or unexpired lease by the Debtor results in a Claim by the other party or parties to such contract or lease, any claim for damages, if not previously evidenced by a filed proof of claim, shall be forever barred and shall not be enforceable against the Estate, the Reorganized Debtor and his properties, agents, successors, or assigns, unless a proof of claim is filed with the Bankruptcy Court and served upon counsel for the Debtor on or before thirty (30) days following the later to occur of: (a) the rejection of such executory contract or unexpired lease, and (b) the Confirmation Date. Unless otherwise ordered by the Bankruptcy Court or provided in the Plan, all such Claims for which proofs of claim are timely filed will be treated as General Unsecured Claims subject to the provisions of the Plan. The Reorganized Debtor shall have the right to object to any such Claim for rejection damages in accordance with the Plan.

6.11 Satisfaction of Claims.

Except as otherwise provided in the Plan or in an agreement by the Debtor that has been approved by the Bankruptcy Court, the distributions made pursuant to and in accordance with the applicable terms and conditions of the Plan are in full and final satisfaction, settlement and release as against the Debtor and the Reorganized Debtor of any debt or obligation of the Debtor that arose before the Effective Date, and any debt of the Debtor of a kind specified in Section 502(g), 502(h), or 502(i) of the Bankruptcy Code, and all Claims against the Debtor or its Estate of any nature, including, without limitation, any interest accrued thereon from and after the Petition Date, whether or not (i) a proof of claim based on such debt, obligation or Equity Interest is filed or deemed filed under Section 501 of the Bankruptcy Code, (ii) such Claim is Allowed under Section 502 of the Bankruptcy Code, or (iii) the holder of such Claim has accepted the Plan.

6.12 Injunction Relating to the Plan.

As of the Effective Date, all Persons are hereby permanently enjoined from commencing, continuing or enforcing in any manner or in any place, any action or other proceeding, whether directly, indirectly, derivatively or otherwise against the Debtor, his Estate, the Reorganized Debtor, Eastern Insulation, Inc., and GB Painting, Inc., on account of, or respecting any Claims, debts, rights, obligations, Causes of Action or liabilities discharged pursuant to the Plan, except to the extent expressly permitted under the Plan.

6.13 Releases.

Except as otherwise set forth in the Plan, as of the Effective Date, in consideration for, among other things, the obligations of the Debtor under the Plan and other contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan, (a) each holder of a Claim or Interest that votes in favor of the Plan and (b) to the fullest extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, each Person that has held, holds or may hold a Claim or Equity Interest or any time was a creditor or equity holder of any of the Debtor and that does not vote on the Plan or votes against the Plan, in each case will be deemed to forever release, waive and discharge all claims (including any derivative claims), obligations, suits, judgments, damages, demands, rights, causes of action and liabilities (other than the right to enforce the Reorganized Debtor's obligations under the Plan and the contracts, instruments, releases, agreements and documents delivered under the Plan), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising in law, equity or otherwise, that are based in whole or in part on any act, omission, transaction or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtor, the Bankruptcy Case or the Plan that such entity has, had or may have against any of the Debtor, the Estate, the Estate's Assets, the Reorganized Debtor, the Reorganized Debtor's Assets, and Eastern Insulation, Inc.

6.14 Cancellation of Existing Indebtedness and Liens.

Except as may otherwise be provided in the Plan, on the Effective Date: (a) all credit agreements, promissory notes, mortgages, security agreements, invoices, contracts, agreements and any other documents or instruments evidencing Claims against the Debtors, together with any and all Liens securing same, shall be canceled, discharged and released without further act or action by any Person under any applicable agreement, law, regulation, order or rule, (b) the obligations of the Debtor thereunder shall be deemed canceled, discharged and released, and (c) all of the right, title and interest of any holder of such mortgages, deeds of trust, liens or other security interests, including any rights to any collateral thereunder, will revert to the Reorganized Debtor. To the extent deemed necessary or advisable by the Reorganized Debtor, any holder of a Claim shall promptly provide the Reorganized Debtor with an appropriate instrument of cancellation, discharge or release, as the case may be, in suitable form for recording wherever necessary to evidence such cancellation, discharge or release, including the cancellation, discharge or release of any Lien securing such Claim.

6.15 Exculpation.

Except as otherwise set forth in the Plan, neither the Debtor, the Reorganized Debtor nor any of his advisors, attorneys, agents, successors or assigns, shall have or incur any liability to any holder of a Claim or an Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the administration of these Chapter 11 bankruptcy proceedings, the pursuit of confirmation of the

Plan, the Disclosure Statement, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan occurring prior to the Effective Date, provided that the terms of this Section 6.15 shall not apply to any liability for willful misconduct, or gross misconduct. Nothing in this paragraph shall relieve any of the foregoing persons or entities (the exculpated parties) from carrying out their responsibilities, in any, under the Plan.

6.16 Setoffs.

Except as otherwise provided in the Plan, nothing contained in the Plan shall constitute a waiver or release by the Debtor, the Estate and/or the Reorganized Debtor of any rights of setoff each may have against any Person.

6.17 Tax Consequences of the Plan.

The following is a general summary of certain material federal income tax consequences of the Plan and the distributions provided under the Plan. This summary does not discuss all aspects of federal taxation that may be relevant to a particular creditor in light of its individual investment circumstances or to certain creditors or shareholders subject to special treatment under the federal income tax laws (for example, tax-exempt organizations, financial institutions, broker-dealers, life insurance companies, foreign corporations or individuals who are not citizens or residents of the United States). This summary does not discuss any aspects of state, local or foreign taxation. The impact on foreign holders of claims and equity interests is not discussed.

This summary is based upon the Internal Revenue Code of 1986, as amended (the “IRC”), the Treasury regulations (including temporary regulations) promulgated thereunder, judicial authorities and current administrative rulings, all as in effect on the date hereof and all of which are subject to change (possibly with retroactive effect) by legislation, administration action or judicial decision. Moreover, due to a lack of definitive judicial or administrative authority or interpretation and the complexity of the transactions contemplated in the Plan, substantial uncertainties exist with respect to various tax consequences of the Plan. The Debtors has not requested a ruling from the Internal Revenue Service (the “IRS”) with respect to these matters and no opinion of counsel has been sought or obtained by the Debtors with respect thereto. There can be no assurance that the IRS or any state or local taxing authorities will not challenge any or all of the tax consequence of the Plan, or that such a challenge, if asserted, would not be sustained. **FOR THE FOREGOING REASONS, CREDITORS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES (FOREIGN, FEDERAL, STATE AND LOCAL) TO THEM OF THE PLAN. THE DEBTORS ARE NOT MAKING ANY REPRESENTATIONS REGARDING THE PARTICULAR TAX CONSEQUENCES OF THE CONFIRMATION AND CONSUMMATION OF THE PLAN AS TO ANY CREDITOR NOR ARE THE DEBTORS RENDERING ANY FORM OF LEGAL OPINION AS TO SUCH TAX CONSEQUENCES.**

A. Federal Income Tax Consequences to the Debtor.

Cancellation of Indebtedness. Generally, the Debtor will realize cancellation of debt (“COD”) income to the extent, if at all, that the Debtor pays a creditor pursuant to the Plan an

amount of consideration in respect of a Claim against the Debtor that is worth less than the amount of such Claim. For this purpose, the amount of consideration paid to a creditor generally will equal the amount of cash or the fair market value of property paid to such creditor. Because the Debtor will be in a bankruptcy case at the time the COD income is realized (if any is realized), the Debtor will not be required to include COD income in gross income, but rather will be required to reduce tax attributes by the amount of COD income so excluded.

B. Tax Consequences to Creditors.

In General. The federal income tax consequences of the implementation of the Plan to a holder of a Claim will depend, among other things, on: (a) whether such Claim constitutes a debt or a security for federal income tax purposes, (b) whether the holder of the Claim receives consideration in more than one tax year, (c) whether the holder of the Claim is a resident of the United States, (d) whether all the consideration received by the holder of the Claim is deemed to be received by the holder of the Claim as part of an integrated transaction, (e) whether the holder of the claim reports income using the accrual or cash method of accounting, and (f) whether the holder has previously taken a bad debt deduction or worthless security deduction with respect to the Claim.

Gain or Loss on Exchange. Generally, a holder of an Allowed Claim will realize a gain or loss on the exchange under the Plan of his or her allowed Claim for cash and other property in an amount equal to the difference between (i) the sum of the amount of any cash and the fair market value on the date of the exchange of any other property received by the holder (other than any consideration attributable to accrued but unpaid interest on the Allowed Claim), and (ii) the adjusted basis of the Allowed Claim exchanged therefor (other than basis attributable to accrued but unpaid interest previously included in the holder's taxable income). Any gain recognized generally may be a capital gain (except to the extent the gain is attributable to accrued but unpaid interest or accrued market discount, as described below) if the Claim was a capital asset in the hands of an exchanging holder, and such gain would be a long-term capital gain if the holder's holding period for the Claim surrendered exceeded one (1) year at the time of the exchange.

Any loss recognized by a holder of an Allowed Claim may be a capital loss if the Claim constitutes a "security" for federal income tax purposes or is otherwise held as a capital asset. For this purpose, a "security" is a debt instrument with interest coupons or in registered form.

C. Information Reporting and Backup Withholding.

Under the backup withholding rules of the Internal Revenue Code, holders of Claims may be subject to backup withholding at the rate of 31 percent with respect to payments made pursuant to the Plan unless such holder (i) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or (i) provides a correct taxpayer identification number and certifies under penalties of perjury that the taxpayer identification number is correct and that the holder is not subject to backup withholding because of a failure to report all dividends and interest income. Any amount withheld under these rules will be credited against the holder's federal income tax liability. Holders of Claims may be required to establish

exemption from backup withholding and federal and state payroll taxes or to make arrangements with respect to the payment of backup withholding.

THE FOREGOING IS INTENDED TO BE A SUMMARY ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FEDERAL, STATE, AND FOREIGN TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN MANY AREAS, UNCERTAIN. ACCORDINGLY, EACH HOLDER OF A CLAIM OR EQUITY INTEREST IS URGED TO CONSULT WITH HIS OWN TAX ADVISOR REGARDING SUCH TAX CONSEQUENCES.

VII. FEASIBILITY AND LIQUIDATION ANALYSES

7.1 Feasibility of the Plan

Based on the continued income received from Debtor's business operations, the new value contribution and the contribution by the Third Party Proponent, the Plan is feasible.

7.2 Best Interests of Creditors and Comparison with Chapter 7 Liquidation.

In the event that the Plan were to be rejected by creditors, or that the Court were not to confirm the Plan for any reason, it is likely that the Chapter 11 case would be converted to a case under Chapter 7 of the Bankruptcy Code. Following the appointment of a Chapter 7 trustee, and after a period of examination and administration, it is likely that one or more public auctions would be conducted to sell all or portions of the Debtor's saleable assets or otherwise liquidate accounts receivables, which mainly consist of shares of stock in closely held corporations. In addition, significant breach of contract claims may arise from the failure to complete work. Claims would be paid from the sale proceeds in the order of priority established under the Bankruptcy Code, beginning with a new tier of administration expenses and fees (est. at least \$15,000.00) derived from the Chapter 7 proceeding. All of the allowed Chapter 11 administrative fees and expenses would carry over, as well as U.S. Trustee fees (together estimated at approximately \$100,000.00).

Liquidation of Debtor's Assets:

Real Property

41-43 Lyman Road, Waltham	\$650,000
Less: Citibank Mortgage	(\$677,124.03)

Less: E*Trade Bank	(\$106,222)
Debtor's Homestead Exemption	(\$500,000)
TOTAL	(\$633,346.03)
TOTAL NET EQUITY	\$0.00
Vehicle	
2015 Ford F150	\$49,341.00
Less Lien Amount:	(\$33,000.00)
Less Exemption Amount:	(\$ 7,500.00)
TOTAL:	\$8,841.00
<u>Personal Property</u>	
100% shares of Galway Bay Painting, Inc.	\$200,000 ¹²
51% shares of Eastern Insulation, Inc.	\$0.00
Other personal property (schedule B)	\$27,042.74
Less Exemptions	(\$16,775)

¹² This value is based on a going concern of the business, however, Debtor asserts that liquidation of the company would obtain a significantly lower value as there are very little assets and only a Note receivable from Eastern Insulation.

TOTAL	\$210,247.74
TOTAL EQUITY	\$219,008.74
LESS: Liquidation Costs	(\$20,000)
LESS: Chapter 7 Costs	(\$15,000)
LESS: Estimated Ch. 11 Administrative Costs and Expenses	(\$100,000)
LESS: Estimated Chapter 11 Taxes	(\$30,000)
LESS: Priority Payments	(\$35,000)
<u>TOTAL AVAILABLE FOR UNSECURED CREDITORS</u>	\$19,008.74

The amount available for distribution to unsecured creditors would be less than proposed by this Plan as all administrative, secured and priority claims would be paid first. Thus there would more likely be a small dividend for the general unsecured creditors.

Under the proposed Chapter 11 Plan of Reorganization, it is anticipated that the first payment to creditors could be made within sixty (60) days of the Confirmation Date, which could be as early as January 2017. The Debtor believes that the return to Unsecured Creditors will be more beneficial under that Plan compared to the result if the case were converted to Chapter 7.

The Debtor, therefore, believe that the conditions in Section 1129(a)(7) of the Bankruptcy Code have been satisfied.

VIII. ACCEPTANCE/ REJECTION

Each creditor may indicate whether acceptance or rejection of the proposed Plan is selected, by completing the enclosed Acceptance/ Rejection Form, being careful to follow the directions written therein in so doing. Completed forms should be returned as soon possible to:

McAuliffe & Associates, P.C
430 Lexington Street
Newton, MA 02466
T: (617) 558-6889
F: (617) 558-6882

IX. CONCLUSION

It should be noted carefully, that in determining whether or not a particular class of creditors have accepted or rejected the plan, the Court may only consider those claimants who actually vote in connection with such plan.

Respectfully submitted,
The Debtor
By his attorney,

Respectfully submitted,
Eastern Insulation, Inc.
By its attorney,

/s/ John M. McAuliffe
John M. McAuliffe, Esq.
McAuliffe & Assoc., P.C.
430 Lexington Street
Newton, MA 02466
(617) 558-6889
BBO#555109
john@jm-law.net

/s/ D. Ethan Jeffrey¹³
D. Ethan Jeffery, Esq.
Murphy & King, P.C.
1 Beacon Street
Boston, MA 02108
(617) 423-0400
BBO# 631941
ejeffery@murphyking.com

Dated: September 27, 2016

¹³ With permission

EXHIBIT A
(Plan of Reorganization)

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
EASTERN DIVISION

IN RE:)	
)	
DERMOT KIRWAN)	Chapter 11
)	
)	Case No. 15-14012-MSH
Debtor)	
)	

**DEBTOR AND THIRD-PARTY PROPONENT'S AMENDED PLAN OF
REORGANIZATION**

DERMOT KIRWAN, the Debtor, and EASTERN INSULATION, INC., the third-party proponent, hereby proposes the following Amended Plan of Reorganization ("Plan") to the Debtor's creditors pursuant to the provisions of Section 1121 of the United States Bankruptcy Code.

The Effective Date of this Plan shall be sixty (60) days after entry of an order confirming the Plan.

THE DATE OF THIS PLAN OF REORGANIZATION IS SEPTEMBER 27 2016

ARTICLE I
DEFINITIONS

Unless otherwise provided in this Plan, all terms used herein shall have the meanings assigned to such terms in the Bankruptcy Code. For the purposes of the Plan, the following terms (which appear in this Plan as capitalized terms) shall have the meanings set forth below, and such meanings shall be equally applicable to the singular and plural forms of the terms defined, unless the context otherwise requires.

Whenever the context requires, references in this Plan to any party shall be deemed to be referenced to or to include, as appropriate, its respective successors, transferees and assigns; terms denoting any gender shall be deemed to include all genders; any accounting terms and phrases used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the conformity with generally accepted accounting principles.

The words, “this Plan,” “hereto,” “hereunder,” “hereof,” and expressions of similar import refer to this Plan as a whole, together with any appendices, schedules and exhibits hereto and not to any particular article, section, subsection, clause or other portion of this Plan. References in this Plan to any agreement, instrument or other document (including references to “this Plan”) shall be deemed to include references to such agreement, instrument, or other document as amended, modified, varied, supplemented or replaced from time to time in accordance with its terms, the Bankruptcy Code or the Bankruptcy Rules, as may be applicable.

1.01 “**Administrative Expense Claim**” shall mean a Claim that is Allowed under Section 503(b) of the Bankruptcy Code and that is entitled to priority under Section 507(a)(1), et. Seq. of the Bankruptcy Code, including, without limitation,

- (a) fees and expenses of Professionals Allowed pursuant to a Final Order entered under Sections 330, 331, or 503 of the Bankruptcy Code, and
- (b) all fees and charges assessed against the Estates pursuant to 28 U.S.C. § 1930.

1.02 “**Allowed Claim**” with respect to a Claim shall mean a Claim that (a) has been fixed by the Bankruptcy Court or otherwise allowed under the confirmed Plan or has been scheduled by the Debtor pursuant to Bankruptcy Rule 1007 and is not scheduled as disputed, contingent or unliquidated; or (b) is a claim to which a timely Proof of Claim has been filed with the Bankruptcy Court and for which (i) no objection to the allowance thereof has been interposed, or (ii) any such objection which has been filed has been determined by Final Order of the Bankruptcy Court allowing such Claim, in whole or in part, or by an appellate court on appeal therefrom. For purposes of determining the amount of an “Allowed Claim”, there shall be deducted therefrom an amount equal to the amount of any claim which the Debtor may hold against the holder thereof, to the extent such claim may be offset pursuant to section 553 of the Bankruptcy Code.

1.03 “**Asset(s)**” shall mean any real or personal property of the Debtor, whether tangible or intangible and wherever situated, together with the proceeds thereof.

1.04 “**Bankruptcy Code**” or “**Code**” shall mean Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq., together with all amendments, modifications and replacements as the same exist upon any relevant date, to the extent applicable to this case.

1.05 “**Bankruptcy Court**” shall mean the United States District Court for the Eastern District of Massachusetts, (Hon. Melvin S. Hoffman), being the Court with jurisdiction over this Case.

1.06 “**Bankruptcy Rules**” shall mean the Federal Rules of Bankruptcy Procedure promulgated in accordance with the provisions of Section 2075, Title 28, United States Code, as the same shall be amended from time to time and the Local Bankruptcy Rules as applicable to these cases.

1.07 “**Bar Date**” shall mean January 29, 2016 the date fixed by the Bankruptcy Court by which time all Persons asserting a Claim must have filed a Proof of Claim or be forever

barred from asserting such Claim against the Estate and from voting on the Plan and/or sharing in any distribution thereunder.

1.08 “**Business Day**” shall mean any day other than a Saturday, Sunday or legal holiday recognized in the Commonwealth of Massachusetts.

1.09 “**Causes of Action**” shall mean, without limitation, any and all actions, causes of action, choses in action, defense, liabilities, obligations, rights, suits, debts, sums of money, damages, judgments, Claims or proceedings to recover money or property and demands of any nature whatsoever, whether known or unknown, in law, equity or otherwise including, without limitations, Avoidance Actions.

1.10 “**Chapter 11 Case**” means the voluntary case under chapter 11 of the Bankruptcy Code commenced by the Debtors on the Petition Date, currently pending in the Bankruptcy Court.

1.11 “**Claim**” shall mean (a) a right to payment from the Debtor, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment from the Debtor, whether or not such right to an equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

1.12 “**Claimant**” shall mean the holder of a Claim.

1.13 “**Class**” shall mean any group of substantially similar Claims or Interest, as specified in the Plan.

1.14 “**Confirmation**” shall mean the entry by the Bankruptcy Court of an Order confirming the Plan, as amended or modified.

1.15 “**Confirmation Date**” shall mean the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order.

1.16 “**Confirmation Order**” shall mean the Order of the Bankruptcy Court confirming this Plan, in its current form or as may be amended, pursuant to Section 1129 of the Bankruptcy Code, and approving the transactions contemplated herein.

1.17 “**Creditor**” shall mean any Person that is the Holder of a Claim against the Debtor that arose or is deemed to have arisen on or before the Filing Date, including, without limitation, Claims of the kind specified in Sections 502(b), (h) or (i) of the Bankruptcy Code.

1.18 “**Debtor**” shall mean Dermot Kirwan.

1.19 “**Debtor Related Claims**” shall mean all Claims, rights, causes of action, cases, demands, damages, costs, compensation, contribution, and/or choses in action, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, then existing or thereafter arising, in law, equity or otherwise, that may be brought against Eastern Insulation by the Debtor, the Debtor’s bankruptcy estate, Galway Bay Décor, Inc., the bankruptcy estate of Galway Bay Décor, Inc., the bankruptcy trustee for Galway Bay Décor, Inc., Galway Bay Painting, Inc., and/or any party claiming through any of the foregoing entities, as well as all Claims, rights, causes of action, cases, demands, damages, costs, compensation, contribution, and/or choses in action arising from or related to the foregoing, whether or not those claims or causes of action have been asserted against Eastern Insulation in the Debtor’s bankruptcy case or otherwise.

1.20 “**Disclosure Statement**” shall mean the Disclosure Statement filed by the Debtor and Third Party Proponent and approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code, together with all annexed exhibits, either in its present form or as may be altered, amended, supplemented or modified from time to time.

1.21 “**Disputed Claim**” shall mean a Claim to the extent that a Proof of Claim has been timely filed or is deemed timely filed under applicable law; and as to which an objection has been or may be timely filed by any party in interest and which objection, if timely filed, has not been withdrawn on or before any date fixed for filing such objections by the Plan or by Order of the Bankruptcy Court, and has not been denied by a Final Order. Prior to the time that an objection has been or may be timely filed, for the purposes of the Plan, a Claim shall be considered a Disputed Claim to the extent that the amount of the Claim specified in the Proof of Claim exceeds the amount of the Claim scheduled by the Debtor as other than disputed, contingent, or unliquidated.

1.22 “**Effective Date**” shall mean the day 60 days after the Confirmation Order becomes a Final Order, or, if such day is not a Business Day, the next succeeding Business Day.

1.23 “**Estate**” shall mean the estate of the Debtor created pursuant to Section 541(a) of the Bankruptcy Code upon the commencement of this Case.

1.24 “**Executory Contract**” shall mean any executory contract or unexpired lease, subject to the provisions of Section 365 of the Bankruptcy Code, between the Debtors and any other Person or Persons, specifically excluding, however, all contracts and agreements entered into pursuant to this Plan.

1.25 “**Filed**” shall mean filed with the Bankruptcy Court in this case.

1.26 “**Filing Date**” or “**Petition Date**” shall mean October 19, 2015 the date upon which the Debtor filed his voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

1.27 “**Final Decree**” shall mean the decree to be entered by the Bankruptcy Court on or after Consummation pursuant to Bankruptcy Rule 3022.

1.28 “**Final Order**” shall mean an order or judgment which has not been reversed, stayed, modified or amended and, as to which (i) the time to appeal or seek review or rehearing

has expired and as to which no appeal or petition for certiorari, review or rehearing is pending, or (ii) if appeal, review, reargument or certiorari of the order has been sought, the order has been affirmed or the request for review, reargument or certiorari has been denied and the time to seek a further appeal, review, reargument or certiorari has expired, and as a result of which such order shall have become final and nonappealable in accordance with applicable law; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not cause such order not to be a Final Order.

1.29 “**General Unsecured Claim**” shall mean a Claim that is (a) not a Secured Claim, (b) not entitled to priority of payment under Section 507 of the Bankruptcy Code and (c) not a Claim for an Equity Interest.

1.30 “**Internal Revenue Code**” shall mean Title 26 of the United States Code, as amended from time to time.

1.31 “**Lien**” shall have the meaning set forth in Section 101(37) of the Bankruptcy Code; except that a lien that has been avoided in accordance with Sections 544, 545, 546, 547, 548, 549 or 553 of the Bankruptcy Code shall not constitute a Lien.

1.32 “**Person**” shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated association or organization, governmental agency or political subdivision.

1.33 “**Petition**” shall mean the voluntary petition for relief filed by the Debtors with the Bankruptcy Court pursuant to Chapter 11 of the Bankruptcy Code.

1.34 “**Plan**” shall mean the Plan of Reorganization, dated as of September 27, 2016, together with all of the exhibits annexed hereto and any authorized modifications thereof, either in their present form or as altered, amended or modified from time to time by the Debtor and

Third Party Proponent in accordance with the Bankruptcy Code, the Bankruptcy Rules and this Plan.

1.35 “**Plan Fund**” shall mean the funds contributed to the Plan by the Debtor in the amount of \$15,000 bi-annually for 5 years beginning on the Effective Date, as well as the contribution by Eastern Insulation, Inc. of \$1,500 bi-annually for 5 years beginning on the Effective Date.

1.36 “**Priority Tax Claims**” shall mean any Claim of a governmental unit entitled to priority under Section 507(a)(8) of the Bankruptcy Code.

1.37 “**Proceeding**” shall mean the Chapter 11 proceedings in respect of the Debtors in the Bankruptcy Court.

1.38 “**Professionals**” shall mean those Persons (a) employed pursuant to an order of the Bankruptcy Court in accordance with Sections 327 or 1103 of the Bankruptcy Code and to be compensated for services pursuant to Sections 327, 328, 329, 330, and 331 of the Bankruptcy Code or (b) for which compensation and reimbursement is allowed by the Bankruptcy Court pursuant to Section 503(b)(4) of the Bankruptcy Code.

1.39 “**Professional Fee Claims**” shall mean the fees and expenses of Professionals under Sections 330, 331 or 503 of the Bankruptcy Code approved by an Order of the Bankruptcy Court.

1.40 “**Property**” shall mean the real property, improvements, rights and personalty owned by the Debtor. All references to the “Property” shall be deemed to mean all or any portion of such Property.

1.41 “**Pro Rata**” shall mean, as to any distribution provided for by this Plan in respect of any Class of Claims, the allocation of the aggregate amount of such distribution to any Class

in accordance with the percentage of the total of Allowed Claims in such Class that is represented by the Allowed Claim receiving the distribution.

1.42 **“Real Property”** shall mean the Debtor’s residence located at 41-43 Lyman Street, Waltham, Massachusetts.

1.43 **“Reorganized Debtor”** shall mean the individual Debtor, Dermot Kirwan on and after the Effective Date and shall include all the real and personal property owned by the Debtor as of the date of the Confirmed Plan.

1.44 **“Schedules”** shall mean the Schedules of Assets and Liabilities filed by the Debtors with the Office of the Clerk of the Bankruptcy Court pursuant to Bankruptcy Rule 1007, as amended from time to time.

1.45 **“Secured Claim”** or **“Allowed Secured Claim”** shall mean any Claim that is secured by a Lien on any property or interest in property of the Debtors to the extent of the value of such property or interest in property, as determined in accordance with Section 506(a) of the Bankruptcy Code, or, in the event that such Claim is a claim of setoff under Section 553 of the Bankruptcy Code, to the extent of such setoff or as agreed between the parties.

1.46 **“Third Party Proponent”** shall mean Eastern Insulation, Inc.

1.47 **“Wage Litigants”** shall mean those Claimants, Douglas G. Cordeiro, Deivson G. Cordeiro, Edilson A. Pinto, Edson Borges Junior and Adilson Cordeiro, whose claim arose from a judgment and execution obtained against the Debtor and Galway Bay Décor, Inc., in Middlesex Superior Court, *Cordeiro v. Galway Bay Décor, Inc., and Dermot Kirwan*, Civil Action No. 2010-MICV-0090.

ARTICLE II

DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS

For the purpose of this Plan, Claims are divided into the following Classes. A Proof of Claim asserting a Claim which is properly included in more than one Class is included in each such Class to the extent that it qualifies within the description of such Class.

2.1 Class One shall include the allowed Secured Claim of Citibank N.A., not individually, but as Trustee for NRZ Pass-Through Trust, VI, currently serviced by Nationstar Mortgage, with respect to the first mortgage on the property located at 41-43 Lyman Road, Waltham, Massachusetts.

2.2 Class Two shall include the allowed secured claim of Ford Motor Credit.

2.3 Class Three shall include the allowed claims of General Unsecured Creditors, including the undersecured claim of E*Trade Bank, the Wage Litigants, and the Chapter 7 Estate of Galway Bay Décor, Inc., John O. Desmond, Trustee.

ARTICLE III

TREATMENT OF UNCLASSIFIED CLAIMS

As provided in Section 1123(a)(1) of the Bankruptcy Code, claims entitled to priority under Sections 503(b), 507(a)(1) and 507(a)(8) of the Bankruptcy Code are not classified for the purposes of voting on, or receiving distributions under, the Plan. All such Claims are instead treated separately in accordance with the terms set forth in this Article III.

3.1 The Debtor is liable for all post-petition administrative claims that accrue prior to Plan confirmation. Exclusive of Professional Fees and Tax Claims, the Debtor estimates that there will be minimal administrative expense claims. For the period from the Petition Date through the date of this Disclosure Statement, the Debtor utilized his income to pay all administrative claims as those claims arose.

Under the Plan, Administrative Expense Claims are treated as follows:

(1) General. Except for Professional Fee Claims and except as otherwise agreed to by the Debtor and the holder of an Allowed Administrative Expense Claim, each such holder shall be paid in full in Cash on the later of: (i) the date such Allowed Administrative Expense Claim becomes due in accordance with its terms; and (ii) the Effective Date. If the Debtor disputes any portion of an Administrative Expense Claim, the Debtor shall pay the Allowed amount of such Administrative Expense Claim within five (5) days after the entry of a Non-Appealable Order with respect to the allowance of such disputed Administrative Expense Claim.

(2) U.S. Trustee's Fees. The outstanding fees due to the United States Trustee pursuant to 11 U.S.C. § 1930 shall be paid in full on or before the Effective Date.

(3) Professional Compensation and Expense Reimbursement Claims.

- (i) Within thirty (30) days after the Effective Date, each Professional shall file a final application for the allowance of compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date. Any such application granted by the Bankruptcy Court shall be paid: (1) within fifteen days of the entry of the order of the Bankruptcy Court approving such application, unless a stay of the order approving the application is obtained; or (2) upon such other terms as may be mutually agreed upon between the Professional and the Debtor or Reorganized Debtor.
- (ii) All fees and expenses of Professionals for services rendered after the Effective Date shall be paid by the Reorganized Debtor upon receipt of reasonably detailed invoices in such amounts and on such terms as such Professional and the Reorganized Debtor may agree. No further order or authorization from the Bankruptcy Court shall be necessary to permit the Reorganized Debtor to pay the fees and expenses of Professionals for services rendered after the Effective Date.

(4) Administrative Tax Claims Except as otherwise agreed to between Debtor and the holder of an Allowed Administrative Tax Claim, each such holder shall be paid in full in Cash on the later of: (i) the date such Allowed Administrative Tax Claim becomes due in accordance with its terms; and (ii) the Effective Date. Debtor will begin making payments toward the outstanding Administrative Tax Claims before the Effective Date. If the Debtor disputes any portion of an Administrative Tax Claim, the Debtor shall pay the Allowed amount of such Administrative Tax Claim within five (5) days after the entry of a Non-Appealable Order with respect to the allowance of such disputed Administrative Tax Claim. Debtor owes approximately \$48,000 to the Internal Revenue Service for 2015 income taxes and approximately \$10,219.05 to the Massachusetts Department of Revenue for 2015 income taxes. Debtor has commenced making payments¹ to the taxing authorities and on the Effective Date will pay the outstanding administrative tax payments.

¹ On July 28, 2016 Debtor issued a check to the Internal Revenue Service in the amount of \$7,500 and to the Massachusetts Department of Revenue in the amount of \$1,500 on August 31, 2016 Debtor made a payment of

3.2 Priority Tax Claims.

At the sole election of the Debtor, each holder of an Allowed Priority Tax Claim, if any, shall be paid either: (a) upon such terms as may be agreed to between the Debtor and the holder of an Allowed Priority Tax Claim; (b) in full in Cash on the later of the Effective Date or the date that such Allowed Priority Tax Claim would have been due if the Bankruptcy Case had not been commenced; or (c) in installment payments of Cash commencing on the Effective Date and (i) of a total value as of the Effective Date equal to the Allowed amount of such Claim, (ii) over a period ending not later than five (5) years from the Petition Date, and (iii) in a manner not less favorable than the most favored General Unsecured Claim under the Plan. The Debtor estimates there is approximately \$26,398 owed to the Internal Revenue Service and \$9,552 to the Massachusetts Department Revenue.

ARTICLE IV

TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS

4.2.1 Class 1 – Citibank N.A.

- (a) Classification. Class 1 consists of the Citibank N.A. Secured Claims.
- (b) Impairment and Voting. The Allowed Citibank Secured Claim is impaired under the Plan. The holder of the Allowed Citibank Secured Claim shall be entitled to vote to accept or reject the Plan.
- (c) Claim Treatment. In full and complete satisfaction, settlement, discharge and release of the Allowed Citibank Secured Claim, the holder of the Allowed Citibank Secured Claim shall receive a Plan Note in the amount of Citibank's allowed claim, at 5% interest rate, amortized over 30 years, with a balloon payment on or before May 1, 2036, or (ii) treatment as agreed between the respective Debtor and the holder of the Allowed Citibank Secured Claim.
- (d) Liens. The Liens held by the holder of the Allowed Citibank Secured Claim shall be treated as follows.

\$7,000 to the Internal Revenue Service and \$3,000 to the Massachusetts Department of Revenue. Debtor anticipates that by Confirmation of his Plan he will owe approximately \$5,000 to the IRS and \$1,500 to the MDOR and will pay those amounts in full on the Effective Date.

- (i) Retention of Liens. The Liens on Citibank's Collateral shall be retained by the holder of the Allowed Citibank Claim to secure the payment of the Allowed Citibank Claim pursuant to the Plan.
 - (ii) Discharge of Liens. Upon payment in full of the Allowed Citibank Secured Claim against the Debtor: (i) all Liens securing the Allowed Citibank Secured Claim against the Debtor shall be deemed canceled, discharged and released, and (ii) the holder of the Allowed Citibank Secured Claim shall deliver to the Reorganized Debtor, within one (1) Business Day of the payment in full of the Allowed Citibank Secured Claim, all mortgage discharges and any other documents necessary to effect the discharge and release of the Liens on the Debtor's Property.
- (e) Indubitable Equivalent. The holder of the Allowed Citibank Secured Claim shall receive such additional or other treatment as may be necessary, as agreed to between the Debtor and the holder of the Allowed Citibank Claim or as determined by the Bankruptcy Court, to permit the holder of the Allowed Citibank Secured Claim to realize the indubitable equivalent of its Allowed Claim.
- (f) Loan Documents. As of the Effective Date, the Citibank Loan Documents shall be deemed amended and restated, without further action, as necessary to reflect and incorporate the terms of the Plan. To the extent that there is any inconsistency between the Plan and any of the Citibank Loan Documents, the terms of the Plan shall control.
 - (i) No later than thirty (30) days after the Effective Date, Citibank must provide the Debtor and counsel to the Debtor (i) a document entitled "Modified Loan Summary" which includes the principal amount due, interest rate, the term of the modified loan, an amortization schedule for the modified loan, and the terms of any tax or insurance expense escrow account, as set forth in the Plan; and (ii) monthly bills in the amount due on account of installment payments on the modified secured claim, as set forth in the Plan. Said monthly bills shall be sent to the Debtor at the address listed on the bankruptcy petition or such other address as the Debtor shall instruct by change of address procedures established by the holder of the secured claim or its agent, shall be in the form sent to other borrowers (e.g., detachable payments receipts and return envelopes) and shall be mailed to the Debtor no later than eighteen (18) days before the due date of any monthly installment payment. Failure of Citibank, or its agent to comply with this Plan provision shall entitle the Debtor to seek all appropriate remedies, including civil contempt, damages or monetary or non-monetary sanctions.

(ii) Citibank shall send Debtor his IRS Form 1098 and all other tax forms annually and shall report all payments made by the Debtor the all credit reporting agencies.

4.2.2 Class 2 – Allowed Claim of Ford Motor Credit

- (a) Classification. Class 2 consists of Ford Motor Credit's Secured Claim.
- (b) Impairment and Voting. The Allowed Ford Motor Credit Claim is unimpaired under the Plan. The holder of the Allowed Ford Motor Credit's Claim shall not be entitled to vote to accept or reject the Plan.
- (c) Claim Treatment. In full and complete satisfaction, settlement, discharge and release of the Allowed Ford Motor Credit's Claim, the holder of the Ford Motor Credit's Claim shall receive either: (i) payments in accordance with contract; or (ii) treatment as agreed between Debtor and the holder of the Allowed Ford Motor Credit's Claim
- (d) Liens. Ford Motor Credit shall retain its lien against the vehicle.
- (e) Discharge of Liens. Upon payment in full of the Allowed Ford Motor Credit: (i) all Liens securing the Allowed Ford Motor's Claim against the Debtor shall be deemed canceled, discharged and released, and (ii) the holder of the Allowed Ford Motor's Claim shall deliver to the Reorganized Debtor, all lien releases and any other documents necessary to effect the discharge and release of the Liens on the vehicle.

4.2.3 Class 3 – Allowed General Unsecured Creditors

- (a) Classification. Class 3 consists of the Allowed General Unsecured Claims against the Debtor.
- (b) Impairment and Voting. Class 3 is impaired under the Plan. Each holder of a General Unsecured Claim shall be entitled to vote to accept or reject the Plan.
- (c) Claim Treatment. In full and complete satisfaction, settlement, release and discharge, each holder of an Allowed General Unsecured Claim shall receive, commencing upon the later to occur of the Effective Date or the date such Claim becomes an Allowed Claim, one of the following: (a) bi-annual payments of a Pro Rata share of the Plan Fund; or (b) treatment as agreed between the Debtor or the Reorganized Debtor and the holder of the Allowed

Class 3 General Unsecured Claims. Debtor anticipates that Class 3 Claimants will receive an estimated 13%² dividend on their allowed Claim.

The Debtor reserves all rights to object to any and all disputed claims and proofs of claims.

After the Effective Date, the Reorganized Debtor shall have the sole and exclusive right to bring, prosecute and settle any and all right, title and interest in and to Causes of Action, including those under Sections 547 and 550 of the Code (“Preference Actions”).

Those claims arising from the rejection of executory contracts or unexpired leases, pursuant to 11 U.S.C. § 502(g) have until thirty (30) days from the authorized rejection by the Court to file their Proof of Claim.

ARTICLE V

MEANS OF IMPLEMENTING THE PLAN

The Debtor will implement this Plan as follows:

New Value Prior to Confirmation, the Debtor will provide the Estate with \$30,000 from a third party, Peter Murray of Wellesley, Massachusetts, owner of Fine Finish, Inc., as a New Value contribution.

Confirmation Funds. Prior to Confirmation, Peter Murray will deposit \$30,000 with Debtor’s counsel to pay outstanding administrative claims, including administrative taxes, and these funds will be used to pay a portion of Debtor’s counsel fees. The Debtor will deposit \$15,800 with Debtor’s counsel for payment of the initial distribution to the Class Three claimants (\$15,000) and the initial distribution to the priority tax payments (\$800). Eastern Insulation will also deposit \$1,500 with Debtor’s counsel to pay the Class Three initial

² This is a “pot plan”. The stated percentage amount is solely for estimation purposes and not to be construed as a guaranteed payment amount.

distribution. Debtor's counsel will hold these funds in escrow until the Confirmation Order has entered at which time Debtor's counsel will make distributions in accordance with the terms of this Plan.

Plan Fund. Debtor will establish a Plan Fund on the Effective Date. Debtor shall contribute \$15,000 bi-annually to the Plan Fund for 5 years. Third Party Proponent, Eastern Insulation, will make bi-annual payments to the Plan Fund in the amount of \$1,500 for 5 years. In exchange for its contribution to the Plan Fund, on the Plan Effective Date, Eastern Insulation and its non-Debtor officers, directors, employees and agents, shall be deemed to be released and discharged from any and all Debtor Related Claims.

Administration of Plan Fund. Debtor's counsel, John M. McAuliffe, shall distribute the funds bi-annually in accordance with the terms of this Plan. Debtor's counsel shall be entitled to a bi-annual payment of \$500.00 plus costs for administration of the Plan Fund. Debtor will continue to make monthly payments on the secured claims pursuant to this Plan.

Type of claim	Estimated Claims	Paid During Chapter 11	Remaining Net Claims	Source of funds	Estimated Recovery	Time
Administrative Claims	\$10,000	Most administrative claims paid by Debtor during case	\$1,000	Income and New Value Funds	100%	Confirmation
Professional Fee Claims	McA: \$120,000	Less McA Payments \$20,000.00	McA \$100,000	New Value Contribution and Debtor's income from operation of businesses	100%	Confirmation and as agreed between the parties

Administrative Tax Claims ³	\$60,219	\$19,000	\$41,000	Debtor's income during chapter 11 and new value funds	100%	Confirmation
Priority Tax Claims per § 507(a)(8)	\$35,950	\$0.00	\$35,950	Debtor's Income	100%	Monthly over remaining 4 years
Class 1 Secured Claim – Citibank – First Mortgage Claim	\$677,000	\$22,500	\$675,000.	Debtor's Income	100%	In accordance with the Parties' Agreement.
Class 2 Secured Claim – Ford Motor Credit	\$32,000	\$8,000	\$24,000	Galway Bay Painting	100% ⁴	In accordance with the Parties' Agreement
Class 3 – General Unsecured Creditors	\$1,230,229	\$0.00	\$1,230,229	Debtor's Income & Contribution by Eastern Insulation	13% ⁵	Five years from Effective Date

ARTICLE VI

GENERAL PROVISIONS

6.1 Upon Confirmation, and except as otherwise provided by written acceptance prior to confirmation and as provided in this paragraph, all executory contracts (except insurance contracts), unexpired leases and licenses, if any, shall be deemed rejected by Debtor.

³ Debtor will continue to make monthly payments toward the outstanding administrative tax amounts and believes that at confirmation approximately \$6,500 will be outstanding which will be paid by the contribution of new value funds.

⁴ Debtor is a guarantor on the debt, but Galway Bay Painting is the primary obligor.

⁵ This is a "pot plan". The stated percentage amount is solely for estimation purposes and not to be construed as a guaranteed payment amount

6.2 Notwithstanding confirmation of this Plan or the Effective Date having occurred, the Bankruptcy Court, shall retain jurisdiction to enforce the provisions, purposes and intent of this Plan, including, without limitation, jurisdiction with respect to the following matters:

- (a) To determine the classification, priority, allowance or disallowance of all Claims or Interests, including, without limitation, Claims and objections relating to the assumption or rejection of executory contracts or unexpired leases pursuant to this Plan, and to hear and determine any and all objections to such Claims and Interests, or to subordinate any Claim or Interest;
- (b) To adjudicate or approve settlements of any Fraudulent Conveyance, Avoidance or Preference Actions;
- (c) To adjudicate all claims to a security or ownership interest in any property of the Debtor or in any proceeds thereof;
- (d) To liquidate damages or estimate Claims in connection with any Disputed Claims or contingent or unliquidated Claims;
- (e) To hear and determine all controversies, suits and disputes that may arise in connection with the interpretation, consummation or performance of this Plan (including any notes, stipulations or agreements executed in connection herewith), as well as all controversies, suits and disputes that may be pending before the Bankruptcy Court on or before the Confirmation Date or may be brought thereafter;
- (f) To determine and allow all expenses of administration of this case, including, without limitation, all requests for professional fees and expenses for periods prior to the Effective Date;

- (g) To recover all assets and property of the Debtor, wherever located;
- (h) To interpret, construe and enforce this Plan, the Confirmation Order or any order previously entered by the Bankruptcy Court in this case;
- (i) To consider and determine any proposed modification or amendment of the Plan;
- (j) To implement the provisions of this Plan and enter any orders in aid of its implementation or in furtherance of its purposes and intent;
- (k) To make such orders as the Bankruptcy Court deems necessary or appropriate to carry out the provisions, purposes or intent of this Plan; and
- (l) To determine such other matters and for such other purposes as may be provided in the Confirmation Order.

6.3 Except to the extent superseded by the Bankruptcy Code or other federal law, the rights, duties and obligations arising under the Plan shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, without regard to the choice of law rules thereof.

6.4 Should any provision in this Plan be determined to be unenforceable, that determination will in no way limit or affect the enforceability and operative effect of any other provision of the Plan.

6.5 The rights and obligations of any person named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of that person.

6.6 No Person may commence or continue any action or proceeding, or perform any act to interfere with the implementation and consummation of this Plan and any payment to be made hereunder.

6.7 Unless otherwise specifically provided for in the Plan or Confirmation Order, or required by applicable bankruptcy law, interest shall not accrue on Claims and no holder of a Claim shall be entitled to interest accruing on or after the Voluntary Petition Date. Interest shall not accrue or be paid on any Disputed Claim. .

6.8 Except as otherwise provided in this Plan, all property of the Debtor's bankruptcy estate shall vest in the Reorganized Debtor on Confirmation free and clear of all liens, claims, encumbrances and interests.

6.9 Untimely Claims. Any creditor holding a Claim which arose prior to the Petition Date, and which was not listed by the Debtor on its schedules or was listed as disputed, contingent or in a unliquidated amount, or was a Claim arising from the assumption or rejection of any executory contract or unexpired lease pursuant to the Plan or a pending assumption motion, for which a proof of claim was not timely filed with the Bankruptcy Court, is forever barred and shall be conclusively deemed discharged and disallowed for purposes of voting on the Plan or receiving any distribution thereunder.

6.10 Objections To Claims. Objections to Claims shall be filed by the Debtor not later than ninety (90) days after the Effective Date, unless extended by the Court, except with respect to Claims relating to the assumption or rejection of executory contracts or unexpired leases hereunder, in which case objections shall be filed within thirty (30) days after such Claims are filed.

6.11 Unclaimed Payments. The holder of a Claim or any other person entitled to be paid under this Plan who has not claimed such person's payment within ninety (90) days of the disbursement or attempted disbursement of such funds under this Plan shall be deemed to have forfeited such person's right to receive such payment, and any subsequent payment, pursuant to the Plan. A person shall be deemed to have failed to claim a payment if (i) a check to such person is returned as undeliverable without a proper forwarding address; (ii) such person's check has not been cashed within ninety (90) days of the date such instrument was mailed; or (iii) a

check to such person could not be mailed or delivered because of the absence of a property address to which to mail or deliver such check.

6.12 Litigation. Subject to the terms of this Plan, the Reorganized Debtor shall retain the right (i) to avoid transfers under Section 522, 544, 545, 547, 548 or 549 of the Bankruptcy Code; (ii) to recover transfers pursuant to Section 550 of the Bankruptcy Code; (iii) to avoid any lien under section 506(d) of the Bankruptcy Code; (iv) to subordinate any lien under section 510(c) of the Bankruptcy Code; and (v) generally to exercise the avoidance powers provided under the Bankruptcy Code following the Effective Date of the Plan..

6.13 Implementation. Upon the entry of a Confirmation Order by the Bankruptcy Court confirming this Plan, Reorganized Debtor and the Disbursement Agent, as the case may be, shall be deemed authorized, without further order of the Bankruptcy Court, to take any and all actions to execute any and all documents which Reorganized Debtor reasonably believes are necessary or appropriate to carry out the purposes and intent of this Plan. Upon achieving substantial consummation of the confirmed Plan and resolution of any pending adversary proceeding, the Reorganized Debtor shall promptly file a motion for final decree to close the case for administrative purposes.

6.14 Re-vesting of Property. Except as otherwise provided in this Plan, as of the Confirmation Date, Reorganized Debtor shall be vested with all of the Debtor's property, free and clear of all claims, liens, encumbrances, charges and other interests of holders of Claims against the Debtor.

6.15 Discharge of Claims. In accordance with 11 U.S.C. § 1141(d)(5), upon completion of Plan payments Debtor will receive his discharge. The distributions made pursuant to and in accordance with the applicable terms and conditions of the Plan are in full and final satisfaction, settlement, release and discharge as against the Debtor and the Reorganized Debtor of any debt of the Debtor's that arose before the Effective Date, and any debt of the Debtor of a kind specified in Section 502(g), 502(h), or 502(i) of the Bankruptcy Code, and all Claims against the Debtor or its bankruptcy estate of any nature, including, without limitation, any

interest accrued thereon from and after the Petition Date, whether or not (i) a proof of claim based on such debt, obligation or equity interest is filed or deemed filed under Section 501 of the Bankruptcy Code, (ii) such Claim is Allowed under Section 502 of the Bankruptcy Code, or (iii) the holder of such Claim has accepted the Plan. Upon completion of the payments due under the Plan, the Reorganized Debtor shall move to reopen the case in order to obtain the Debtor's discharge per 11 U.S.C. § 1141(d)(5).

6.16 Injunction Relating to the Plan. As of the Effective Date, all Persons are hereby permanently enjoined from commencing or continuing, in any manner or in any place, any action or other proceeding, whether directly, indirectly, derivatively or otherwise against the Debtor, its bankruptcy estate, its members or the Reorganized Debtor, on account of, or respecting any Claims, debts, rights, causes of action or liabilities discharged pursuant to the Plan, except to the extent expressly permitted under the Plan.

6.17 Cancellation of Existing Indebtedness and Liens. Except as may otherwise be provided in the Plan, on the Effective Date, all credit agreements, promissory notes, mortgages, security agreements, invoices, contracts, agreements and any other documents or instruments evidencing Claims against the Debtor, together with any and all Liens securing same, shall be canceled, discharged and released without further act or action by any Person under any applicable agreement, law, regulation, order or rule, and the obligations of the Debtor thereunder shall be deemed cancelled, discharged and released. To the extent deemed necessary or advisable by the Reorganized Debtor, any holder of a Claim shall promptly provide the Reorganized Debtor with an appropriate instrument of cancellation, discharge or release, as the case may be, in suitable form for recording wherever necessary to evidence such cancellation, discharge or release, including the cancellation, discharge or release of any Lien securing such Claim.

6.18. Setoffs. Except as otherwise provided in this Plan, nothing contained in this Plan shall constitute a waiver or release by the Estate of any rights of setoff the Estate may have against any Person.

6.19 Modification of the Plan. The Debtor or the Reorganized Debtor, as the case may be, may amend or modify the Plan both before and after Confirmation as provided in Section 1127 of the Bankruptcy Code. No further notice will be provided to creditors except as required by applicable law, which generally requires notice only to creditors whose treatment is materially adversely affected.

After Confirmation, Reorganized Debtor, also may, with the approval of the Bankruptcy Court, cure any error or omission or reconcile any inconsistency in the Plan or the Confirmation Order, if necessary to further the intent and purposes of this Plan, so long as the interests of Creditors are not thereby materially or adversely affected.

6.20 Controlling Effect of the Plan. To the extent that the terms of this Plan are inconsistent with the terms of any agreement or instrument concerning any Claim or any other matter, the terms of this Plan shall control. In the event of any inconsistency between the Plan and the Disclosure Statement or any other instrument or document created or executed pursuant to the Plan, the terms of the Plan shall govern

6.21 Non-Voting Securities. Not applicable.

6.22 Headings. Headings are used in the Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose.

6.23 Severability. If, prior to the Confirmation Date, any term or provision of the Plan is determined by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court may, upon the request of the Debtor, 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 shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination 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 according to its terms.

6.24 Requirement of 11 U.S.C. 1129(a)(15). Pursuant to section 1129(a)(15) of the Bankruptcy Code, if an unsecured creditor with an allowed claim objects to the Debtor's Plan of Reorganization, Debtor will devote any and all disposable income, as defined in section 1325(b)(2), towards bi-annual payments to Allowed Class Three claimants for five (5) years from the Effective Date. Debtor's Plan provides for contribution of all of his net disposable income to Class Three Claimants for five years.

6.25 Revocation or Withdrawal of the Plan. The Debtor reserves the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Debtor revokes or withdraws the Plan prior to the Confirmation Date, then the Plan shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any Claims by or against the Debtor or any other Person or to prejudice in any manner the rights of the Debtor or any Person in any further proceedings involving the Debtor.

6.26 Default. If the Debtor (or any Proponent) defaults on his/its obligations to make the contributions or distributions under the Plan, the Disbursing Agent shall notify the Court and the United States Trustee of such default/failure by filing a written statement with the Court within thirty (30) days.

6.27 United States Trustee Reports. After the Effective Date, the Debtor shall be responsible for the payment of all post-confirmation United States Trustees Fees until the case is closed. In addition, the Debtor shall prepare and serve on the United States Trustee a monthly financial report for each month (or portion thereof) the case remains open. The monthly report shall include the following:

- a. A statement, by class, of all disbursements made during the course of the month, whether or not pursuant to the plan.

- b. A summary of all payments made under the plan or property transferred to each recipient under the plan, and an explanation of the failure to make any distributions or transfers of property under the plan.
- c. A description of any other factors which may materially affect the Debtor's ability to consummate the plan, and,
- d. An estimated date when an application for final decree will be filed with the Court (in the case of the final monthly report, the date the decree was filed).

Dated at Newton, Massachusetts, this 27th day of September 2016.

Respectfully submitted,
The Debtor
By his attorney,

/s/ John M. McAuliffe
John M. McAuliffe, Esq.
McAuliffe & Assoc., P.C.
430 Lexington Street
Newton, MA 02466
(617) 558-6889
BBO#555109
john@jm-law.net

Respectfully submitted,
Eastern Insulation, Inc.
By its attorney,

/s/ D. Ethan Jeffery⁶
D. Ethan Jeffery, Esq.
Murphy & King, P.C.
1 Beacon Street
Boston, MA 02108
(617) 423-0400
BBO# 631941
ejeffery@murphyking.com

⁶ With permission

EXHIBIT B

(Appraisal)

APPRAISAL OF REAL PROPERTY



LOCATED AT

41 Lyman St
Waltham, MA 02452
47269/230/4/12/2006

FOR

Dermot Kirwan
41-43 Lyman St., Waltham, MA 02452

AS OF

02/29/2016

BY

Bonnie S. Braese
Braese Associates, Inc.
132 Pleasant Street
Woburn, MA 01801
(781) 933-3110
bbraese@braese.com

Borrower	N/A	File No.	16028273
Property Address	41 Lyman St	City	Waltham
County	Middlesex	State	MA
Zip Code	02452	Lender/Client	Dermot Kirwan

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:

- ☒ Appraisal Report (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- ☐ Restricted Appraisal Report (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Comments on Appraisal and Report Identification

Note any USPAP related issues requiring disclosure and any State mandated requirements:

THREE YEAR PRIOR SERVICE: I have performed no services regarding the subject property within the prior three years, as an appraiser or in any other capacity.

EXPOSURE TIME: The estimated exposure time is reported with the opinion of value in the Summary of the Sales Comparison Approach. The exposure time is the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

APPRAISER:

Signature:

Name: Bonnie S. BraeseState Certification #: 75019

or State License #:

State: MA Expiration Date of Certification or License: 06/28/2016Date of Signature and Report: 03/08/2016Effective Date of Appraisal: 02/29/2016Inspection of Subject: ☐ None ☒ Interior and Exterior ☐ Exterior-OnlyDate of Inspection (if applicable): 02/29/2016**SUPERVISORY or CO-APPRAISER (if applicable):**

Signature:

Name:

State Certification #:

or State License #:

State: Expiration Date of Certification or License:

Date of Signature:

Inspection of Subject: ☐ None ☐ Interior and Exterior ☐ Exterior-Only

Date of Inspection (if applicable):

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.																																																																																																																																																																																																																																																							
Property Address		41 Lyman St			City		Waltham		State MA Zip Code 02452																																																																																																																																																																																																																																														
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Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	185	Low	3	Multi-Family	10 %																																																																																																																																																																																																																																											
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Neighborhood Description				The subject is located on a moderately traveled road just north of the city center. The housing make-up are those of similar age, design, and appeal. There are many 2-4 family dwellings in the neighborhood and many of them have been converted to condominiums. There is commercial activity in the neighborhood however it is limited to Main Street and cannot be seen from the subject property. This is not adverse and is predominantly retail, banking, and service businesses. See Additional Comments.				485	Pred.	116	Other	2 %																																																																																																																																																																																																																																											
Market Conditions (including support for the above conclusions) Mortgage interest rates remain favorable. Sales prices have continued to increase in the subject neighborhood. Properly priced homes are selling near or over asking in under 30 days with conventional financing prevalent. Sales concessions are not common but are market accepted and generally not at a level to alter the sales price of the property. There is currently a short supply of similar two family homes on the open market. This is typical of the winter months. 2-4 family homes are in demand in the neighborhood due to the shortage of rental properties in the area.																																																																																																																																																																																																																																																							
Dimensions 51' frontage x 100' x 50' x 100' Area 5,052 sf Shape mostly rectangular - typical View residential																																																																																																																																																																																																																																																							
Specific Zoning Classification Residential Zoning Description RB - Residence B - 15' frontage - 6,000 sf - single and two family dwellings permitted.																																																																																																																																																																																																																																																							
Zoning Compliance <input type="checkbox"/> Legal <input checked="" type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)																																																																																																																																																																																																																																																							
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe The highest and best use is for two family housing or condominium conversion.																																																																																																																																																																																																																																																							
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IMPROVEMENTS	Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe.																		
	Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.																		
	Is the property subject to rent control? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe																		
	The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.																		
COMPARABLE RENTAL DATA	FEATURE		SUBJECT		COMPARABLE RENTAL # 1					COMPARABLE RENTAL # 2					COMPARABLE RENTAL # 3				
	Address		41 Lyman St Waltham, MA 02452		17-19 Dennison St Waltham, MA 02453					51 Chester Ave Waltham, MA 02453					283-285 Ash St Waltham, MA 02453				
	Proximity to Subject				1.53 miles SW					1.22 miles SW					1.01 miles S				
	Current Monthly Rent		\$ 1,500		\$ 1,700					\$ 1,850					\$ 3,850				
	Rent/Gross Bldg. Area		\$ 0.62 sq.ft.		\$ 0.67 sq.ft.					\$ 0.56 sq.ft.					\$ 1.68 sq.ft.				
	Rent Control		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
	Data Source(s)		owner		MLSPIN# 71946462					MLSPIN# 71901565					MLSPIN# 71796427				
	Date of Lease(s)		TAW		TAW					12 mo lease					TAW				
	Location		residential-busy road		residential					residential					residential				
	Actual Age		96		106					106					106				
	Condition		good		similar					sl inferior					similar				
	Gross Building Area		2,426		2,540					3,325					2,288				
	Unit Breakdown		Rm Count Size Sq. Ft.		Rm Count Size Sq. Ft.		Monthly Rent		Rm Count Size Sq. Ft.		Monthly Rent		Rm Count Size Sq. Ft.		Monthly Rent				
			Tot Br Ba		Tot Br Ba				Tot Br Ba				Tot Br Ba						
	Unit # 1		5 2 1.0 1,241		6 2 1.0 1,270		\$ 1,700		5 2 1.0 1,336		\$ 1,850		6 2 1.0 1,144		\$ 1,900				
	Unit # 2		6 2 1.0 1,185		7 2 1.0 1,270		\$ 0		8 4 2.0 1,989		\$ 0		7 2 1.0 1,144		\$ 1,950				
	Unit # 3																		
	Unit # 4																		
	Utilities Included		water & sewer		water & sewer					heat, hot water, water, sewer					water & sewer				
	Parking		off street		1 garage space - off street					off street					1 garage spaces - off street				
Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.) The rentals selected were the most similar to the subject property in size and condition. All are 2 bedroom units. Rentals 1 and 2 are owner occupied. The range of two bedroom rentals is \$1,700 to \$1,950.																			
SUBJECT RENT SCHEDULE	Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.																		
	Leases		Actual Rents					Opinion of Market Rent											
	Lease Date		Per Unit					Total Rents		Per Unit		Total Rents							
	Unit #	Begin Date	End Date	Unfurnished	Furnished			Unfurnished	Furnished										
	1	TAW	TAW	\$ 1,500		\$ 1,500	\$ 1,900		\$ 1,900										
	2	Owner	Owner	0		0	1,900		1,900										
	3																		
	4																		
	Comment on lease data Unit 1 is a tenant at will.			Total Actual Monthly Rent			\$ 1,500	Total Gross Monthly Rent			\$ 3,800								
	Unit 2 is owner occupied.			Other Monthly Income (Itemize)			\$	Other Monthly Income (Itemize)			\$								
				Total Actual Monthly Income			\$ 1,500	Total Estimated Monthly Income			\$ 3,800								
	Utilities included in estimated rents <input type="checkbox"/> Electric <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Sewer <input type="checkbox"/> Gas <input type="checkbox"/> Oil <input checked="" type="checkbox"/> Trash collection <input type="checkbox"/> Cable <input checked="" type="checkbox"/> Other building insurance																		
	Comments on actual or estimated rents and other monthly income (including personal property) The opinion of market rents is near the top of the ranges as the units are in good condition and are near the city center. Market rents will be used to for the Income Approach.																		
	PRIOR SALE HISTORY	I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain																	
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.																			
Data Source(s) Registry of Deeds																			
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.																			
Data Source(s) Registry of Deeds																			
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).																			
ITEM		SUBJECT		COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3											
Date of Prior Sale/Transfer																			
Price of Prior Sale/Transfer																			
Data Source(s)		The Warren Group		The Warren Group		The Warren Group		The Warren Group											
Effective Date of Data Source(s)		03/03/2016		03/03/2016		03/03/2016		03/03/2016											
Analysis of prior sale or transfer history of the subject property and comparable sales The subject property has not sold in the 3 years prior the effective date of this appraisal.																			
The comparable sales have not sold in the 12 months prior to the listed sales.																			

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There are 1 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 400,000 to \$ 700,000															
There are 18 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 400,000 to \$ 700,000															
FEATURE		SUBJECT		COMPARABLE SALE # 1				COMPARABLE SALE # 2				COMPARABLE SALE # 3			
Address		41 Lyman St Waltham, MA 02452		20 Francis St Waltham, MA 02451				95 High St Waltham, MA 02453				207 High St Waltham, MA 02453			
Proximity to Subject				0.81 miles W				0.82 miles S				0.93 miles S			
Sale Price		\$		\$ 621,000				\$ 675,000				\$ 600,000			
Sale Price/Gross Bldg. Area		\$ sq.ft.		\$ 200.19 sq.ft.				\$ 306.82 sq.ft.				\$ 208.91 sq.ft.			
Gross Monthly Rent		\$ 3,800		\$ 3,500				\$ 3,900				\$ 3,500			
Gross Rent Multiplier				177.43				173.08				171.43			
Price per Unit		\$		\$ 310,500				\$ 337,500				\$ 300,000			
Price per Room		\$		\$ 51,750				\$ 75,000				\$ 50,000			
Price per Bedroom		\$		\$ 103,500				\$ 135,000				\$ 150,000			
Rent Control		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Data Source(s)				MLS PIN#71818726;DOM 9				MLS PIN#71896057;DOM 17				MLS PIN#71863067;DOM 17			
Verification Source(s)				exterior inspection, assessor				exterior inspection, assessor				exterior inspection, assessor			
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		+(-) Adjustment		DESCRIPTION		+(-) Adjustment		DESCRIPTION		+(-) Adjustment	
Sale or Financing				Armlth - conv. finance				Armlth - FHA				Armlth - conv. finance			
Concessions				no concessions				2,500 concession				1,750 concession		0	
Date of Sale/Time				05/28/2015		+12,420		11/30/2015				08/25/2015		+3,000	
Location		residential-busy road		res. neighborhood		-12,420		residential-busy road				residential-busy road			
Leasehold/Fee Simple		Fee Simple		Fee Simple				Fee Simple				Fee Simple			
Site		5052 sf		5500 sf		0		7464 sf		0		5250 sf			
View		residential		residential				residential				residential			
Design (Style)		Two Family		Two Family				Two Family				Two Family			
Quality of Construction		average		average				average				average			
Actual Age		96		106				116				86			
Condition		good		average-inferior		+62,100		good-si superior		-33,750		average-inferior		+60,000	
Gross Building Area		2,426		3,102		-23,660		2,200		+7,910		2,872		-15,610	
Unit Breakdown		Total Bdrms Baths		Total Bdrms Baths				Total Bdrms Baths				Total Bdrms Baths			
Unit # 1		5 2 1.0		5 2 1.0				4 2 1.0				6 2 1.1		-2,500	
Unit # 2		6 2 1.0		7 4 1.0		-10,000		5 3 1.0		-5,000		6 2 1.0			
Unit # 3															
Unit # 4															
Basement Description		full basement		full basement				full basement				full basement			
Basement Finished Rooms		unfinished		unfinished				unfinished				unfinished			
Functional Utility		Average		Average				Average				Average			
Heating/Cooling		FHW - no CAC		FHW - no CAC				FHW - no CAC				FHW - no CAC			
Energy Efficient Items		None		None				None				None			
Parking On/Off Site		off street parking		off street parking				off street parking				off street parking			
Porch/Patio/Deck		3 porches		2 porches		+2,000		Porch		+4,000		porch, deck		+2,000	
Net Adjustment (Total)				<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 30,440		<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ -26,840		<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 46,890	
Adjusted Sale Price of Comparables				Net Adj. 4.9 %		\$ 651,440		Net Adj. 4.0 %		\$ 648,160		Net Adj. 7.8 %		\$ 646,890	
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)				\$ 325,720				\$ 324,080				\$ 323,445			
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)				\$ 54,287				\$ 72,018				\$ 53,908			
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)				\$ 108,573				\$ 129,632				\$ 161,723			
Value per Unit		\$ 325,000 X 2		Units = \$ 650,000				Value per GBA \$ 255 X 2,426		GBA = \$ 618,630					
Value per Rm.		\$ 60,000 X 11		Rooms = \$ 660,000				Value per Bdms. \$ 160,000 X 4		Bdms. = \$ 640,000					
Summary of Sales Comparison Approach including reconciliation of the above indicators of value.												There were few recent similar sales from which to choose. It was			
therefore necessary to go beyond a 6 month time frame and to cross Main Street for the most similar sales in neighborhoods with similar market appeal. Comparables 1 and 3 are adjusted 10% for inferior overall condition based on MLS photos and descriptions. These properties have not have recent updates or remodels as did the subject property.															
Comparable 2 is adjusted 5% for superior condition as it is a newly renovated property. GLA is adjusted at \$35/SF. Bedrooms and bathrooms are adjusted at \$5,000. All other adjustments are made from market extraction or matched pairs. An Adjusted range is established between \$646,000 and \$652,000. All sales were considered equally for their component similarities. The opinion of value is \$650,000 with an estimated exposure time of under 30 days.															
Indicated Value by Sales Comparison Approach \$ 650,000															
Total gross monthly rent \$ 3,800 X gross rent multiplier (GRM) 175 = \$ 665,000 Indicated value by the Income Approach															
Comments on income approach including reconciliation of the GRM The GRM is in the range of 171-178. A GRM in the mid-range is chosen.															
Indicated Value by: Sales Comparison Approach \$ 650,000 Income Approach \$ 665,000 Cost Approach (if developed) \$															
The opinion of value was derived from the development of the Sales Comparison Approach which most accurately reflects the motivations of the typical buyer. The Income Approach is supportive. The Cost Approach was considered unnecessary due to the age of the home.															
This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: Assumes clear and marketable title.															
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 650,000 , as of 02/29/2016 , which is the date of inspection and the effective date of this appraisal.															

ADDITIONAL COMMENTS	<p>INTENDED USER: The intended user of this appraisal report is the Client and his attorney. The intended use is to evaluate the property that is the subject of this appraisal for potential debt restructuring subject to the stated scope of work, purpose of this appraisal, reporting requirements of this appraisal report form, and definition of market value. No additional intended users are identified by this appraiser.</p>			
	<p>SOURCE FOR DEFINITION OF MARKET VALUE: The source of the definition of market value is obtained in Fannie Mae Guide (04/01/2009) Section B4-1.2-03.</p>			
	<p>ELECTRONIC SIGNATURES & DIGITAL PHOTOS: The appraiser Signature(s) that appear on this appraisal are electronic signatures which are secured with a security protected access code(s). Electronic signatures have been approved by all major banks and lending institutions and according to USPAP, electronically affixing a signature to a report carries the same level of authenticity and responsibility as and ink signature on a paper copy report. Photographs submitted with this appraisal are original digital images printed in color. These digital images have not been altered or modified in any way.</p>			
	<p>FIRREA: This completed appraisal report was prepared in accordance with the requirements of title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) as amended (12 U.S.C. 3331 et seq.) and any implementing regulations.</p>			
	<p>FEMA DISASTER DECLARATION of April 13, 2015 for winter storm/flooding during the period Jan 26-28, 2015 in the county of Middlesex, the appraiser has observed that the subject property was not impacted by the storms, is free of damage, and there has been no effect to marketability/value.</p>			
	<p>NEIGHBORHOOD DESCRIPTION: The McDevitt Middle School is within walking distance of the subject property. The neighborhood is convenient to public transportation with the MBTA busses running along Main Street and the Commuter Rail to Boston having two stops in Waltham. Bentley College and Brandeis University are located in the city. No negative factors present. Other land use is wooded open space.</p>			
	COST APPROACH	COST APPROACH TO VALUE (not required by Fannie Mae)		
<p>Provide adequate information for the lender/client to replicate the below cost figures and calculations.</p>				
<p>Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) Site value based on the allocation method and/or recent land sales in the town. The Cost Approach is most accurate in newly constructed homes due to the difficulty in accurately calculating accrued depreciation and therefore considered unnecessary for this assignment.</p>				
<p>ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW</p>		<p>OPINION OF SITE VALUE _____ =\$ 225,000</p>		
<p>Source of cost data</p>		<p>DWELLING Sq.Ft. @ \$ _____ =\$</p>		
<p>Quality rating from cost service Effective date of cost data</p>		<p>1,244 Sq.Ft. @ \$ _____ =\$</p>		
<p>Comments on Cost Approach (gross living area calculations, depreciation, etc.)</p>		<p>_____ =\$</p>		
<p>It is common for land values to be greater than 30% of the total real property value in the Greater Boston area.</p>		<p>Garage/Carport Sq.Ft. @ \$ _____ =\$</p>		
<p>Total Estimate of Cost-New _____ =\$</p>		<p>Less Physical Functional External _____</p>		
<p>Depreciation _____ =\$()</p>		<p>Depreciated Cost of Improvements _____ =\$</p>		
<p>"As-is" Value of Site Improvements _____ =\$</p>		<p>Estimated Remaining Economic Life (HUD and VA only) 53 Years</p>		
<p>INDICATED VALUE BY COST APPROACH _____ =\$</p>		<p>_____</p>		
<p>PROJECT INFORMATION FOR PUDs (if applicable)</p>				
<p>Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No Unit type(s) <input type="checkbox"/> Detached <input type="checkbox"/> Attached</p>				
<p>Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.</p>				
<p>Legal Name of Project _____</p>				
<p>Total number of phases _____</p>		<p>Total number of units sold _____</p>		
<p>Total number of units rented _____</p>		<p>Total number of units for sale _____</p>		
<p>Was the project created by the conversion of existing building(s) into a PUD? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, date of conversion. _____</p>		<p>Data source(s) _____</p>		
<p>Does the project contain any multi-dwelling units? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source _____</p>		<p>Are the units, common elements, and recreation facilities complete? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe the status of completion. _____</p>		
<p>Are the common elements leased to or by the Homeowners' Association? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe the rental terms and options. _____</p>				
<p>Describe common elements and recreational facilities. _____</p>				
<p>_____</p>				

EXHIBIT C

(Historical Financial Information & Plan Projections)

(To be provided prior to the hearing on the adequacy of the Disclosure Statement)