

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NEW YORK

_____	:	
	:	
In re:	:	
	:	
THE VERMEIL LLC,	:	CHAPTER 11
	:	Case No. 15-44136-ess
	:	(Cases Jointly Administrated)
_____	:	
	:	
In re:	:	
	:	
STERLING & SEVENTH LLC,	:	CHAPTER 11
	:	Case No. 15-44135-ess
_____	:	

SECOND AMENDED DISCLOSURE STATEMENT FOR
THE DEBTORS' PLAN OF REORGANIZATION,
DATED NOVEMBER 7, 2017

I. INTRODUCTION

This is the disclosure statement (the "Disclosure Statement") in the Chapter 11 case of The Vermeil LLC ("Vermeil") and Sterling & Seventh, LLC ("Sterling & Seventh") (referred together herein as the "Debtors"). This Disclosure Statement contains information about the Debtors and describes the Debtors' Chapter 11 Plan of Reorganization (the "Plan") filed by the Debtors on November 7, 2017. A full copy of the Plan is attached to this Disclosure Statement as Exhibit A. *Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.*

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN SUPPLIED BY THE DEBTORS. BASED UPON THE INFORMATION MADE AVAILABLE, PROPONENT'S COUNSEL HAS NO INFORMATION TO INDICATE THAT THE INFORMATION DISCLOSED HEREIN IS INACCURATE. NEITHER THE PROPONENT NOR THEIR COUNSEL, HOWEVER, IS ABLE TO STATE DEFINITELY THAT THERE IS NO INACCURACY HEREIN OR THAT FUTURE EVENTS MAY NOT RENDER THE INFORMATION CONTAINED HEREIN INACCURATE.

The proposed distributions under the Plan are discussed at pages 7-10 of this Disclosure Statement. There are no general unsecured creditors of the Estate.

A. Purpose of This Document

This Disclosure Statement describes:

- The Debtors and significant events during the bankruptcy case,
- How the Plan proposes to treat claims or equity interests of the type you hold (i.e., what you will receive on your claim or equity interest if the plan is confirmed),
- Who can vote on or object to the Plan,
- What factors the Bankruptcy Court (the “Court”) will consider when deciding whether to confirm the Plan,
- Why (the Proponent) believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation, and
- The effect of confirmation of the Plan.

Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement described the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

B. Deadlines for Voting and Objecting: Date of Plan Confirmation Hearing

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section described the procedures pursuant to which the Plan will or will not be confirmed.

1. Time and Place of the Hearing to (Finally Approve This Disclosure Statement and) Confirm the Plan

The hearing at which the Court will determine whether to confirm the Plan will take place on November 28, 2017, at 10:30 a.m., before Honorable Elizabeth S. Stong, United States Bankruptcy Judge, United States Bankruptcy Court, Courtroom 3585, United States Bankruptcy Court, 271 Cadman Plaza East, Brooklyn, New York 11201.

2. Deadline for Voting to Accept or Reject the Plan

If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to:

Barry D. Haberman, Esq.
254 South Main Street, #404
New City, New York 10956

See section IV.A. below for a discussion of voting eligibility requirements.

Your ballot must be received by (insert date) or it will not be counted.

3. *Deadline For Objecting to the (Adequacy of Disclosure and) Confirmation of the Plan*

Objections to the confirmation of the Plan must be filed with the Court and served upon

Barry D. Haberman, Esq.
254 South Main Street, #404
New City, New York 10956

And

Office of the United States Trustee
For the Eastern District of New York
US Federal Office Building
201 Varick Street, Suite 1006
New York, New York 10014

by November 21, 2017.

4. *Identity of Person to Contact for More Information*

If you want additional information about the Plan, you should contact:

Barry D. Haberman, Esq.
254 South Main Street, #404
New City, New York 10956
845-638-4294
Email - bdhlaw@aol.com

C. Disclaimer

This Court has conditionally approved Disclosure Statement as contained adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court has approved this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it is accepted. (The Court's approval of this Disclosure Statement is subject to final approval at the hearing on confirmation of the Plan.

II. BACKGROUND

A. Description and History of the Debtors' Business

The Vermeil is a New York limited liability company. The Vermeil owns and manages a condominium apartment (Unit 1D) in a building located at 133 Seventh Place, Brooklyn, New York. Said condominium apartment is rented.

Sterling & Seventh is a New York limited liability company. Sterling & Seventh is the predecessor in interest to The Vermeil. On or about March 5, 2008, a time substantially prior to the filing of the instant Cases, Sterling & Seventh assigned its assets and liabilities to The Vermeil. Sterling & Seventh no longer conducts business, it has no assets. Sterling & Seventh has not conducted any business for at least five (5) years.

Sterling & Seventh was the sponsor and developer of a condominium project at 133 Seventh Place, Brooklyn, New York. The apartment owned by The Vermeil represents the last unsold unit in the project. The management of 133 Seventh Place, Brooklyn, New York rests with The Board of Managers of the Vermeil Condominium, an entity that is not under the control and/or direction of the Debtors.

The Debtors have an outstanding Mortgage with Jacob Rosenberg, a Mortgage that is in default status. Said Mortgage has been the subject of a foreclosure action filed in New York Supreme Court, Kings County, said action entitled Jacob Rosenberg v. The Vermeil LLC, et al, Index No. 16962/2011. After extensive litigation, Supreme Court has issued a Judgment of Foreclosure and Sale, dated June 15, 2017. However, due to the filing of these Cases and pursuant to an Order of this Court dated July 5, 2016 (Doc. 60) a Stay is in place with regards to a sale of Unit 1D. Furthermore, Supreme Court has determined that Unit 1E, titled in the name of Jacob Rosenberg is property belonging to The Vermeil, and said Unit 1E is to be sold pursuant to the Judgment of Foreclosure and Sale. It is represented that the amount of Rosenberg's Judgment (as of December 31, 2017) is \$2,430,866.67.

The Debtors' principal, Jacob Pinson, is himself a debtor in the Chapter 7 bankruptcy case of In re Jacob Pinson and Chana Pinson, 14-40212 (ESS), and that David J. Doyaga, Esq. is the Chapter 7 Trustee in Mr. Pinson's individual case. Mr. Doyaga has had notice of all proceedings in this Case, but to date has not substantively participated in the proceedings.

B. Insiders of the Debtor

The following individual is an insider of the Debtor as defined in § 101(31)

Jacob Pinson – Managing Member – 100% membership interest

No compensation was paid to the insider by the Debtors.

C. Management of the Debtor Before and During the Bankruptcy

During the two years prior to the date on which the bankruptcy petition was filed, the officers, directors, managers or others persons in control of the Debtors (collectively

the “Manager”) was Jacob Pinson , who was the sole Managing Member for the two years prior to the date that the bankruptcy petitions were filed.

The Manager of the Debtors during the Debtors’ Chapter 11 case has been:

Jacob Pinson

After the effective date of the order confirming the Plan, the “Post Confirmation Managers”, will be: Barry D. Haberman, Esq. The responsibilities and compensation of these Post Confirmation Managers are described in section III (C) 1 of this Disclosure Statement.

D. Events Leading to Chapter 11 Filing

The Debtors suffered from poor market conditions in the sale of Units in The Vermeil condominium project. The Debtors became overextended and defaulted in payment of secured debt (Mortgage). The Debtors were also subject to a legal action brought by the Board of Managers of The Vermeil Condominium, with a Judgment entered against the Debtors in the amount of \$831,247.22. Said Judgment is calculated as \$993,395.52 as of November 16, 2017.

During the course of the foreclosure litigation instituted by Jacob Rosenberg, the Debtors sought the protection of the Bankruptcy Court to reorganize.

E. Significant Events During the Bankruptcy Case

During the pendency of this Case, the Secured Creditor, Jacob Rosenberg (“Rosenberg”) moved for relief from the automatic Stay to proceed with the foreclosure litigation pending in Supreme Court, Kings County, said action entitled Jacob Rosenberg v. The Vermeil LLC, et al, Index No. 16962/2011. Upon the Bankruptcy Court lifting the stay, litigation resumed in New York State Supreme Court. After extensive litigation, Supreme Court has issued a Judgment of Foreclosure and Sale, dated June 15, 2017. The Judgment of Foreclosure and Sale is for both Units (1D and 1E), Supreme Court having determined that the mortgage applied to both units, even though Unit 1E was deeded to Rosenberg. As of the date of this Disclosure Statement, that Judgment is binding as to the parties in interest. Upon issuance of said Judgment of Foreclosure and Sale, the Debtors determined that it was in their best interests to bring this matter to resolution by proposing a sale of the secured property under the auspices of the Bankruptcy Court. The proposed Plan will resolve all outstanding issues in these Cases.

Recovery of Avoidable Transfers

The Debtors do not intend to pursue preference, fraudulent conveyance, or other avoidance actions.

Claims Objections

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtors reserves the right to object to claims. Pursuant to the within Statement and Plan, the Debtors will not be objecting to the claims of Jacob Rosenberg and The Board of Managers of The Vermeil Condominium. Therefore, (excepting the aforementioned Claimants) even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan.

F. Current and Historical Financial Conditions

The Debtors' real property is defined as Unit 1D and Unit 1E in The Vermeil condominium, (133 Seventh Place, Brooklyn, New York). Based upon listings and sales for other units in the condominium, it is estimated that each unit has a fair market value of \$1,250,000.00.

Additionally, the Debtors own five (5) parking spaces (or possibly two parking spaces). Rosenberg and The Board of Managers of The Vermeil Condominium dispute the right to the proceeds for the sale of the first two parking spaces. Thus, the proceeds received from the sale of the first two units will be held in escrow by the disbursing agent, pending resolution (via settlement and/or litigation) followed by a Judicial Order, determining their respective rights to receive the proceeds of the sale. As to The other three (3) parking spaces, same will also be sold at auction (and subject to the provisions of the Plan, the proceeds will be used to satisfy the Claim of The Board of Managers of the Vermeil Condominium.

Unit 1D has been managed by The Vermeil, with sporadic collection of rent. Unit 1E has been managed by Rosenberg. Pursuant to the Order of Supreme Court, the Debtors will be awarded credit from Rosenberg for the rents collected, with said rents offset against the damages due for the default in payment of the Mortgage.

In that the Judgment of Foreclosure and Sale and the Proposed Plan requires the sale of the Units the financials of the Units as ongoing enterprises are not relevant to this Case.

III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. What is the Purpose of the Plan

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. Under the Plan, Units 1D and 1E, will be sold at an auction. The proceeds realized will satisfy the obligations of the Debtors to Jacob Rosenberg (after payment of Administrative Expenses). In the

event that the proceeds realized exceeds the amount due to Rosenberg, excess proceeds will be used to satisfy the claims due to The Board of Managers of the Vermeil Condominium Association.

Additionally, the Debtors will sell at auction all of the parking spaces, the proceeds of same to satisfy the claims of The Board of Managers of the Vermeil Condominium Association, except that the he proceeds from the sale of the parking spaces will be paid as necessary to satisfy (in addition to outstand Real Estate Taxes) outstanding Priority Tax claims and the Post-Confirmation Compensation to Debtors' Counsel in the amount of \$12,500.00 (As stated above, resolution of the entitlement to proceeds of the sale as between Rosenberg and The Board of Managers of the Vermeil Condominium is left to resolution post sale.

To the extent that the funds realized from the auction sales exceed the Administrative Expenses, Priority Claims, the Secured Creditor and the Board of Managers of the Vermeil, distribution will be made to the other claim holders. It is not reasonably likely that any payments will be made to other claim holders.

B. Unclassified Claims

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has *not* paced the following claims in any class:

1. *Administrative Expenses*

Administrative expenses are costs or expenses of administering the Debtors' chapter 11 cases which are allowed under § 507(a) (2) of the Code. Administrative expenses also include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before the date of the bankruptcy petition. The code requires that all administrative expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists the debtor's estimated administrative expenses and their proposed treatment under the Plan:

<u>Type</u>	<u>Estimated Amount Owed</u>	<u>Proposed Treatment</u>
Expenses Arising in the Course of Business After Petition Date (Common Charges due to The Board of Trustees of the Vermeil Condominium)	\$31,937.04	Paid in full on the effective date of the Plan, or according to terms of obligations if later
The Value of Goods Received in the Ordinary	\$0.00	Paid in full on the effective date of the Plan, or according to terms of

Course of Business Within 20 Days Before Petition Date		obligation if later
Professional Fees, as Approved by the Court	\$35,000.00	Paid in full on the effective date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan
Clerk's Office Fees	\$0.00	Paid in full on the effective date of The Plan
Other administrative expenses		Paid in full on the effective date of the Plan or according to separate written agreement
Auction Expenses		Paid in full on the effective date of the Plan or according to separate written agreement (from proceeds received at the respective Auctions
Office of the U.S. Trustee Fees	\$	Paid in full on the effective date of the Plan
TOTAL	\$66,937.04	

To the extent that there are outstanding real property taxes, under the provisions of the proposed Plan, said taxes will be paid out of proceeds from the Closing the sale of Units 1D and 1E. There are also tax liens filed by NYCTL 1998-2/MTAG in the amount of \$10,413.08 plus 9% interest from May 17, 2013 and NYCTL 2015-A Trust/MTAG in the amount of \$3,901.51 from May 16, 2017 (for Unit 1D). (Both tax liens will be paid from the proceeds of the sale of Unit 1D and Unit 1E). Additional open taxes along with the aforementioned tax liens will be satisfied with proceeds received at the auction for properties owned by the Estate. Such taxes amount to \$3,845.03 for Unit 1D and \$4,648.36 for Unit 1E. To the extent that there are any Real Estate Tax Liens or unpaid real property taxes against Unit 1E, same are the responsibility of Rosenberg, and shall be satisfied by Rosenberg directly, without depriving the Debtors Estate of any of the proceeds received from the sale contemplated herein. Taxes for the parking spaces are as follows: 4P: \$327.73, 8P: \$355.82, 10P: \$100.45, 16P: 0.00, and 17P: \$355.82. Taxes due on the Parking Spaces will be paid from proceeds of the sale of the Parking Spaces. (Title will not pass unless the outstanding real property tax liens (as well as any other outstanding tax liens) have been satisfied. The Estate shall be expressly authorized to use proceeds from the auction sale to satisfy outstanding real property taxes.

2. Priority Tax Claims

Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

The following chart lists the Debtor's estimated § 507(a)(8) priority tax claims and their proposed treatment under the Plan:

Description (Name and type of tax)	Estimated Amount Owed	Date of Assessment	Treatment
IRS - FICA, FUTA	\$7,247.39		Paid from Proceeds*
IRS - FICA, FUTA	\$3,587.58		Paid from Proceeds*
IRS - Partnership Tax	\$391.24		Paid from Proceeds*

* Sale of the Parking Spaces

(All of the taxes listed above accrued within three (3) years of the date of the filing of the Petitions in Bankruptcy)

Classes of Claims and Equity Interests

The following are the classes set forth in the Plan, and the propose treatment that they will receive under the Plan:

1. *Classes of Secured Claims*

Allowed Secured Claims are claims secured by property of the Debtors' bankruptcy estates (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code.

The following chart lists all classes containing Debtor's secured prepetition claims and their proposed treatment under the Plan:

Class	Description	Impairment	Treatment
Class 1A	Real Estate Tax Liens, including those held by NYCTL 1998-2/MTAG and NYCTL 2015-A Trust MTAG, Presently currently in the amount of approximately \$26,000		Paid in full in cash on Effective Date of the closing of the sale of the Real Property from the proceeds of sale of collateral which is related to the respective Real Property Tax Lien.
Class 2(a)	Secured Claim of	Impaired	Will be paid net proceeds from

	Jacob Rosenberg (Mortgage)		auction of Unit 1D & 1 E (up to amount of Claim) and after payment of related Real Estate Tax Liens and Real Estate Taxes and \$35,000 for Administrative Fees, and from parking spaces proceeds subject to prevailing on litigation, pursuant to the provisions of Article IX below.
Class 2(b)	Secured Claim of The Board of Managers of The Vermeil Condominium	Impaired	Will receive net proceeds from auction of Unit 10P, 16P and 17 P (up to amount of Claim) after payment of Real Estate Tax Liens and Real Estate Taxes and Priority Claims, and Post-Confirmation Compensation to Debtors' Counsel in the amount of \$12,500. Will also receive proceeds of sale of Parking Spaces 4P and 8P if prevails in litigation, pursuant to the provisions of Article IX below. Will also receive any additional monies remaining following the satisfaction of Rosenberg's Claim, which shall include payment of the \$49, 641.51 common charge liens on the Units (the "Common Charge Liens")

There is the Secured Claim of Jacob Rosenberg, pursuant to a Judgment of Foreclosure and Sale. Units 1D and 1E will be sold at auction to satisfy the Secured Claim (after payment of Administrative Expenses and outstanding Real Property Taxes and Real Property Tax Liens as outlined above). Said Secured Claim will then be deemed fully satisfied (if the amount received is less than the amount of the Claim interposed by Rosenberg (Claim represented as \$2,430,866.67 (as of December 31, 2017))). In the event that proceeds exceed the Claim (after payment of expenses, said additional proceeds shall be available to other Creditors of the Estate).

The parking spaces will be sold for the benefit of The Board of Managers of the Vermeil Condominium to satisfy the Judgment in the amount of \$993,395.52 (as of November 16, 2017.) (or of Rosenberg, dependent upon resolution of the contested issue). Proceeds of sale to satisfy the claims of The Board of Managers of the Vermeil Condominium Association (or of Rosenberg, dependent upon resolution of the contested issue), except that the he proceeds from the sale of the parking spaces will be paid as necessary to satisfy (in addition to outstand Real Estate Taxes) outstanding Priority Tax claims and the Post-Confirmation Compensation to Debtors' Counsel in the amount of \$12,500.

Classes of Priority Unsecured Claims

Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of the Code are required to be placed in classes. The Code requires that each holder of such a claim receive cash on the effective date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment.

The following chart lists all classes containing claims under in §§ 507(a)(1), (4), (5), (6), and (7) of the Code and their proposed treatment under the Plan:

Class #	Description	Impairment	Treatment
3	None		

2. Class(es) of General Unsecured Claims

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code. (Insert description of §1122(b) convenience class if applicable.)

The following chart identifies the Plan's proposed treatment of Class(es) ___ through ___, which contain general unsecured claims against the Debtor:

Class #	Description	Impairment	Treatment
4	Unsecured Claims	Impaired	No Payments

Equity interest holders are parties who hold an ownership interest (*i.e.* equity interest) in the Debtor. In a corporation, entities holding preferred or common stock are equity interest holders. In a partnership, equity interest holders include both general and limited partners. In a limited liability company ("LLC"), the equity interest holders are the members. Finally, with respect to an individual who is a debtor, the debtor is the equity interest holder.

The following chart sets forth the Plan's proposed treatment of the class(es) of equity interest holders: (There may be more than one class of equity interests in, for example, a partnership case, or a case where the prepetition debtor has issued multiple classes of stock.)

Class #	Description	Impairment	Treatment
5	Equity interest holders	Impaired	No payments

C. Means of Implementing the Plan

1. Source of Payments

Payments and distributions under the Plan will be funded by the following:

Sale of the real property.

Post-confirmation Management

The Post-Confirmation Managers of the Debtors, and their compensation, shall be as follows:

Name	Affiliations	Insider (yes or no)	Position	Compensation
Barry D. Haberman	Attorney for Debtors	No	Attorney	Yes (\$12,500.00)

The principals of the Debtors (insiders) are not expected to manage the affairs of the Debtors Post-Confirmation. To the extent necessary, said Barry D. Haberman, Esq. will act as disbursing agent. A bond will not be required. It is not reasonably anticipated that compensation in addition to the \$12,500.00 stated above will be requested. The disbursing agent(s) shall maintain all accounts at banking institutions that are authorized depository institutions in the Eastern District of New York.

D. Risk Factors

The proposed Plan has the following risks:

(List all risk factors that might affect the Debtors' ability to make payments and other distributions required under the Plan.)

Minimal risk as the real property owned will be sold at auction. The result as to the secured creditors is the same as if the real property was sold at a foreclosure sale.

E. Tax Consequences of Plan

The proponent of this plan does not believe that there will be any negative tax consequences to the Debtors or to Creditors under the Plan. To the extent that a creditor is not paid in full under the Plan, such creditor may be entitled to a bad debt deduction. To the extent that a creditor has taken a bad debt deduction, Plan distributions may be taxable as income.

THE PROPONENT OF THIS PLAN DOES NOT PURPORT, THROUGH THIS DISCLOSURE STATEMENT, TO ADVISE THE CREDITORS OR INTEREST HOLDERS REGARDING THE TAX CONSEQUENCES OF THE TREATMENT OF THE CREDITORS AND INTEREST HOLDERS UNDER THE PLAN. CREDITORS

AND INTEREST HOLDER SHOULD SEEK INDEPENDENT COUNSEL CONCERNING THE TAX CONSEQUENCES OF THEIR TREATMENT UNDER THE PLAN.

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code. These include the requirements that: the Plan must be proposed in good faith; at least one impaired class of claims must accept the plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

A. Who May Vote or Object

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that secured creditors are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The Plan Proponent believes that no other classes are impaired and that holders of claims in each of these classes, therefore, do not have the right to vote to accept or reject the Plan.

1. *What is an Allowed Claim or an Allowed Equity Interest?*

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 2018(a) of the Federal Rules of Bankruptcy Procedure.

What is an Impaired Claim or Impaired Equity Interest?

As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is *impaired* under the Plan. As provided in § 1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

2. *Who is Not Entitled to Vote*

The holders of the following five types of claims and equity interests are *not* entitled to vote:

- Holders of claims and equity interests that have been disallowed by an order of the Court;
- holders of other claims or equity interests that are not “allowed claims” or “allowed equity interests” (as discussed above), unless they have been “allowed” for voting purposes.
- holders of claims or equity interests in unimpaired classes;
- holders of claims entitled to priority pursuant to §§ 507(a)(3), and (a)(8) of the Code; and
- holders of claims or equity interests in classes that do not receive or retain any value under the Plan;
- administrative expenses
-

Even If You are Not Entitled To Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan (and to the Adequacy of the Disclosure Statement).

3. *Who Can Vote in More Than One Class*

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

B. Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within the class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by “Cram down” on non-accepting classes.

1. *Votes Necessary for a Class to Accept the Plan*

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

A class of equity interests accepts the Plan if the holders of at least two-third (2/3) in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

2 *Treatment of Non-accepting Classes*

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b) of the Code. A plan that binds nonaccepting classes is commonly referred to as a “cram down” plan. The Code allows the Plan to bind nonaccepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Code, does not ‘discriminate unfairly,’ and is “fair and equitable” toward each impaired class that has not voted to accept the Plan.

As the Plan does not discriminate unfairly and as the Plan is fair and equitable under the circumstances, the Debtor is requesting the Court to bind the non-accepting classes.

You should consult your own attorney if a “cram down” confirmation will affect your claim or equity interest, as the variations on this general rule are numerous and complex.

C. Liquidation Analysis

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a chapter 7 liquidation. A liquidation analysis is attached to this Disclosure Statement as Exhibit E.

D. Feasibility

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan.

1. *Ability to Initially Fund Plan*

The Plan Proponent believes that the Debtor will have enough cash on hand on the effective date of the Plan to pay all of the claims and expenses that are entitled to be

paid on that date. Tables showing the amount of cash on hand on the effective date of the Plan, and the sources of that cash are attached to this disclosure statement as Exhibit F.

2. Ability to Make Future Plan Payments And Operate Without further Reorganization

The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments.

The Plan Proponent has provided projected financial information. Those projections are listed below.

1. The Plan would permit the sale of the real property at auction. The secured creditors will be paid upon satisfaction of outstanding tax liens and payment of administrative expenses and priority claims (entitled to a preference).

2. The balance of the funds (after satisfying all claims against the real property as evidenced in a Title Report) would be paid to unsecured creditors in proportion to their respective claims.

3. Any remaining funds would be paid to equity interests of the Estate.

You Should Consult with Your Accountant or other Financial Advisor If you Have Any Questions Pertaining to These Projections.

V. EFFECT OF CONFIRMATION PLAN

A. NO DISCHARGE OF DEBTOR

No Discharge. As the Debtor, through the Plan is liquidating all or substantially all of the property of the Estate, and as the Debtor will not be conducting any business activity after the Plan is consummated, the Debtor is not eligible for a discharge, and the Debtor will not be receiving a discharge under the Plan.

However, Rosenberg and The Board of Managers of The Vermeil Condominium Association will provide full releases to the Debtors and the Debtors' members (in particular Jacob Pinson and Chana Pinson) as to all matters between the respective parties.

The Debtors (and Jacob Pinson and Chana Pinson) will also provide full releases to Jacob Rosenberg as to all matters between the respective parties, all parties expressly agree not to disparage each other, or commence an action in a Bet Din for any matter prior to the date of the within document).

The Debtors (and Jacob Pinson and Chana Pinson) will also provide full releases to The Board of Managers as to all matters between the respective parties, all parties

expressly agree not to disparage each other, or commence an action in a Bet Din for any matter prior to the date of the within document).

Modification of Plan

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or re-voting on the Plan. The Plan Proponent may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated *and* (2) the Court authorizes the proposed modifications after notice and a hearing.”) Post-confirmation reports will be filed by the 20th day following the conclusion of the relevant calendar quarter.

Closing the Case

Pursuant to Local Bankruptcy Rule 3022-1, within fourteen (14) days following the full administration of its estate, the Debtors or the Plan Proponent shall file, on notice to the United States Trustee, an application and a proposed order for a final decree closing this case. Alternatively, the Court may enter such a final decree on its own motion.

Post-Confirmation

The Debtors shall continue to file quarterly post-confirmation status reports and hold post-confirmation status conferences until the case is converted, closed, or dismissed, whichever happens earlier.

VI. SALE OF REAL PROPERTY

Sale of the Real Property shall take place through an auction conducted by Maltz (prompt closing, property “as is” condition, no contingencies).

The sale of the Property shall take place free and clear of all liens, claims and encumbrances, with all liens, claims and encumbrances to attach to the proceeds of sale to the extent of the validity and the priority of such liens, claims and encumbrances held prior to the sale. The proceeds of the sale shall be paid in order of the following priority on or about the closing to (1) Real Estate Tax Liens and Real Estate taxes (2) holders of allowed claims secured by valid and perfected liens, (3) any allowed liens which may be necessary, (4) other liens or claims as necessary to close title unless the Debtors are exempted from payment, (5) costs and expenses of the estate in connection with such sales, including brokers or auctioneer’s fees, (6) any unpaid United States Trustee fees and (7) any unpaid administrative expenses for fees awarded to Court appointed professionals for the Debtors. All Lienors shall deliver any satisfactions, releases of judgment or other documentation necessary or desirable to effect closings on the sale of the Real Property, in exchange for and upon receipt and clearance of full payment of the allowed claim (unless such claim is reserved for). The Debtors may move in the Court herein on expedited ten (10) days’ notice to compel any such lienor to comply with its

obligations hereunder. All the monies received at the Closing shall be held in escrow pending the expiration date of the Bar Date for filing claims in this case and then to be distributed in accordance with this Plan unless claims have been filed which modify or affect the present priority of claims, in which case the Court shall make determinations on the distribution with respect to the property involved in the claims that are subject to a dispute as to priority, provided however that this provision shall not delay payment of any Real Estate Tax Liens and Real Estate Taxes on the Real Property.

All the transactions provided for or contemplated in this Plan, including the sale of Real Property, the cancellation of debt, and the making or delivery of instrument of transfer, shall be exempt from any taxes, transfer taxes, recording fees, or other charges which may be exempted under Section 1146 of the Bankruptcy Code.

As to Units 1D and 1E, Rosenberg shall be permitted to “credit bid” the amount of his secured claims reduced to Judgment, of \$2,430,866.67 (as of December 31, 2017). To the extent necessary (in the event that Rosenberg’s credit bid is the successful bid) Rosenberg will fund, with cash to the Estate, such payments as necessary to satisfy outstanding real property taxes on Units 1D and 1E, the secured tax liens on same, and to the extent that Rosenberg prevails over the claims of the Board of Managers, outstanding real property taxes on Parking Spaces Unit 4P and Unit 8P and will permit payment of the Attorney Fees to the Estate in the amount of \$35,000.00.

As to Parking Spaces Unit 10P, Unit 16P and Unit 17P, The Board of Managers of the Vermeil Condominium shall be permitted to “credit bid” the amount of their Judgment (of \$993,395.52 as of November 16, 2017). To the extent necessary (in the event that the Board of Managers’ credit bid is the successful bid), The Board of Managers will fund, with cash to the Estate, such payments as necessary to satisfy outstanding Real Estate taxes on Parking Spaces Unit 10P, Unit 16P and Unit 17P, outstanding Priority Tax claims and the Post-Confirmation Compensation to Debtors’ Counsel in the amount of \$12,500.00.

The proceeds of the sale of the Parking Spaces shall be paid first to Real Estate Taxes associated with the Parking Spaces. As to 4P and 8P, after payment of Real Estate Taxes, the balance shall be held in escrow pending further Order of the Court relating to the rights of Rosenberg and/or the Board of Managers to such proceeds, unless Rosenberg’s Claim is satisfied after the Units are sold, in which case the proceeds from all Parking Spaces shall be distributed to the Board of Managers. Prior to disbursement of the proceeds from the sale of the Parking Spaces (assuming that the prevailing party is not via a credit bid), proceeds will be paid as necessary to satisfy (in addition to outstanding Real Estate Taxes) outstanding Priority Tax claims and the Post-Confirmation Compensation to Debtors’ Counsel in the amount of \$12,500.00.

All the monies received at the Closing shall be held in escrow pending the expiration date of the Bar Date for filing claims in this case and then to be distributed in accordance with this Plan unless claims have been filed which modify or affect the present priority of claims, in which case the Court shall make determinations on the

distribution with respect to the property involved in the claims that are subject to a dispute as to priority.

VII. OTHER PLAN PROVISIONS

None

Respectfully submitted,

BY: /s/ Jacob Pinson
Jacob Pinson as Managing Member of
The Debtors
Debtor and Plan Proponent

BY: /s/ Barry D. Haberman
BARRY D. HABERMAN, ESQ.
Attorney for Debtors and Plan Proponents
254 South Main Street, #404
New City, New York 10956
845-638-4294
bdhlaw@aol.com

EXHIBITS

Exhibit A – Copy of Proposed Plan of Reorganization

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NEW YORK

	:	
	:	
In re:	:	
	:	
THE VERMEIL LLC,	:	CHAPTER 11
	:	Case No. 15-44136-ess
	:	(Cases Jointly Administrated)
	:	
	:	
In re:	:	
	:	
STERLING & SEVENTH LLC,	:	CHAPTER 11
	:	Case No. 15-44135-ess
	:	
	:	

**DEBTORS' PLAN OF
REORGANIZATION,
DATED NOVEMBER 2, 2017**

**ARTICLE I
SUMMARY**

This Plan of Reorganization (the "Plan") under Chapter 11 of the Bankruptcy Code (the "Code") proposes to pay creditors of the Debtors' from sale of the real property located at 133 Seventh Place, Brooklyn, New York.

This Plan provides for two (2) classes of secured claims; one (1) class of unsecured priority claims; one (1) class of unsecured claims; and one (1) class of equity security holders. This Plan also provides for the payment of administrative and priority claims.

All creditors and equity security holders should refer to Articles III through VI of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

The Plan contemplates that the Debtor's Real Property consisting of condominium Units 1D and 1E (the "Units") and Parking Spaces 4P, 8P, 10P, 16P and 17P (the "Parking Spaces") (it is not clear whether there are two (2) or five (5) parking spaces) (the Units and the Parking Spaces are collectively, the "Real Property") shall be sold at an auction sale by Maltz & Co. after confirmation of the Plan. The proceeds from the sale of the Units shall be paid to Jacob Rosenberg ("Rosenberg"), as mortgagee (as to Units 1D and 1E) net after payment of any and all unpaid real estate taxes ("Real Estate Taxes"), water and sewer charges and other similar charges on the Real Property, including all accrued interest, fees and other applicable charges thereon (collectively, the "Real Estate Tax Liens") related to such Units, as well as any other claims necessary for closing to occur, and subject to \$35,000 on account of administration expenses.

The proceeds from the sale of parking spaces 4P and 8P shall be held in escrow and be subject to further litigation between Rosenberg and the Board of Managers of the Vermeil Condominium (the "Board of Managers"), and whichever prevails on the issue of priority of liens, shall also receive said proceeds. However, to the extent that Rosenberg's Claim (as defined below) is satisfied following the sale of the Units, all excess proceeds recovered from the sale of the Real Property shall be distributed to the Board of Managers including all proceeds from the sale of the Parking Spaces.

In addition, there shall be paid to the Board of Managers the proceeds of the sale of Parking Spaces 10P, 16P and 17P (to the extent that same exist). All Parking Spaces shall be sold subject to the payment of Real Estate Tax Liens, Real Estate Taxes associated with each of the respective Parking Spaces, and priority claims. In light of the fact that a Bar Date has not been set, all proceeds of the sales shall be held in escrow pending expiration of the Bar Date, except for the payment of Real Estate Tax Liens after a proper title search is conducted.

ARTICLE II

CLASSIFICATION OF CLAIMS AND INTERESTS

- | | | |
|------|--------------------|---|
| 2.01 | Class 1(a) | Real Estate Tax Liens |
| 2.02 | <u>Class 2(a).</u> | Secured Claim of Jacob Rosenberg (Mortgage) |
| 2.03 | <u>Class 2(b).</u> | Secured Claim (by Judgment) of The Board of Managers of The Vermeil Condominium |
| 2.04 | <u>Class 3.</u> | Unsecured Priority Claims |
| 2.05 | <u>Class 4</u> | All unsecured claims allowed under § 502 of the Code, |
| 2.06 | <u>Class 5.</u> | Equity interests of the Debtor consists of Jacob Pinson and Chana Pinson. The Debtor represents and warrants that there will be no change in the members in the Debtor up through and after the Effective Date. |

ARTICLE III
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,
U.S. TRUSTEES FEES AND PRIORITY TAX CLAIMS

3.01 Unclassified Claims. Under section §1123(a)(1), administrative expense claims, (“gap” period claims in an involuntary case allowed under § 502(f) of the Code,) and priority tax claims are not in classes.

3.02 Administrative Expense Claims. Each holder of an administrative expense claim allowed under § 503 of the Code (and a “gap” claim in an involuntary case allowed under § 502(f) of the Code) will be paid in full on the effective date of this Plan (as defined in Article VII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.

3.03 Property Tax Claims. Class 1. Each holder of a tax claim Real Estate Tax Lien will be paid in full in cash on the date of the closing of the real property Real Property, which as to the instant case consists of includes duly levied real property tax liens against Unit 1D and Parking Spaces 4P, 8P, 10P, 16P and 17P. To the extent that there are any Real Estate Tax Liens against Unit 1E, same are the responsibility of Rosenberg, and shall be satisfied by Rosenberg directly, without depriving the Debtors Estate of any of the proceeds received from the sale contemplated herein.

3.04 United States Trustee Fees. All fees required to be paid by U.S.C. §1930(a)(6) (U.S. Trustee Fees) and any applicable interest thereon will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

ARTICLE IV
TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

4.01 Claims and interests shall be treated as follows under this Plan:

Class	Description	Impairment	Treatment
Class 1A	Real Estate Tax Liens, including those held by NYCTL 1998-2/MTAG and NYCTL 2015-A Trust MTAG, Presently currently in the amount of approximately \$26,000		Paid in full in cash on Effective Date of the closing of the sale of the Real Property from the proceeds of sale of collateral which is related to the respective Real Property Tax Lien.
Class 2(a)	Secured Claim of Jacob Rosenberg (Mortgage)	Impaired	Will be paid net proceeds from auction of Unit 1D & 1 E (up to amount of Claim) and after

			payment of related Real Estate Tax Liens and Real Estate Taxes and \$35,000 for Administrative Fees, and from parking spaces proceeds subject to prevailing on litigation, pursuant to the provisions of Article IX below.
Class 2(b)	Secured Claim of The Board of Managers of The Vermeil Condominium	Impaired	Will receive net proceeds from auction of Unit 10P, 16P and 17 P (up to amount of Claim) after payment of Real Estate Tax Liens and Real Estate Taxes and Priority Claims, and Post-Confirmation Compensation to Debtors' Counsel in the amount of \$12,500. Will also receive proceeds of sale of Parking Spaces 4P and 8P if prevails in litigation, pursuant to the provisions of Article IX below. Will also receive any additional monies remaining following the satisfaction of Rosenberg's Claim, which shall include payment of the \$49, 641.51 common charge liens on the Units (the "Common Charge Liens")
Class 3	Unsecured Priority Claims	None	IRS non disputed priority claims in the amount of \$11,226 and New York City priority claim subject to any claims requested to be paid at Closing in order to close the sale of the property.
Class 4	General Unsecured Claims	None	No payments expected to be made to this Class
Class 5	Equity Security Holders	Impaired	No payments will be made to this Class.

ARTICLE V
ALLOWANCE AND DISALLOWANCE OF CLAIMS

5.01 Disputed Claim. A disputed claim that has not been allowed or disallowed (by a final non-appealable order), and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the debtor has scheduled such claim as disputed, contingent, or unliquidated.

5.02 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed (by a final non-appealable order).

5.03 Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules and Bankruptcy Procedure. All objections to claims will be filed on or by April 13, 2018.

5.04 Undisputed Claim. The Debtor acknowledges Rosenberg's claim, reduced to a Judgment, in the amount of \$2,430,866.67 (as of December 31, 2017), and does not and will not dispute same.

ARTICLE VI

PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.01 Assumed Executory Contracts and Unexpired Lease.

- (a) All real Property sold pursuant to this Plan shall be sold subject to any unexpired Leases. Debtor represents and warrants that Unit 1D is occupied under a Lease (attached) and the Lease expires on February 5, 2018

ARTICLE VII

GENERAL PROVISIONS

7.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions:

7.02 Effective Date of Plan. The effective date of this Plan is the later of the closing on the sale of the Real Property or ten (10) days after the expiration of the Bar Date for filing claims and no claims having been filed which effect the priority of the claims provided in this Plan. If, however, a stay of the confirmation order is in effect on that date, the effective date will be the first business day after the date on which the stay of the confirmation order expires or is otherwise terminated.

7.03 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of the Plan.

7.04 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

7.05 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

7.06 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of New York govern the Plan and any agreements, documents and instruments executed in connection with this Plan, except as otherwise provided in this Plan.)

ARTICLE VIII **DISCHARGE**

8.01 No Discharge. As the Debtor, through the Plan is liquidating all or substantially all of the property of the Estate, and as the Debtor will not be conducting any business activity after the Plan is consummated, the Debtor is not eligible for a discharge, and the Debtor will not be receiving a discharge under the Plan.

8.02 In the event that the representations and warranties of the Debtors contained in this Plan are true and correct and upon the Effective Date, and provided that Jacob Pinson and Chana Pinson are authorized to issue in their Chapter 7 cases and do issue like releases described at Paragraph 8.03 below Rosenberg and The Board of Managers of The Vermeil Condominium Association will provide full releases to the Debtors and the Debtors' members (Jacob Pinson and Chana Pinson) as to all matters between the respective parties.

8.03 Upon the Effective Date, the Debtors (and Jacob Pinson and Chana Pinson) will also provide full releases to Jacob Rosenberg on all matters between the respective parties, all parties expressly agree not to disparage each other, or commence an action in a Bet Din (for any matter between the respective parties). Jacob Pinson and Chana Pinson shall immediately seek leave from their Chapter 7 Trustee and from the Court to obtain authorization for the issuance of their releases.

8.04 The Debtors (and Jacob Pinson and Chana Pinson) will also provide full releases to The Board of Managers, all parties expressly agree not to disparage each other, or commence an action in a Bet Din for any matter between the respective parties.

8.05 The foregoing releases would be binding upon Jacob Pinson and Chana Pinson in their Chapter 7 case, as Rosenberg and The Board of Managers of The Vermeil Condominium Association will be releasing Jacob Pinson and Chana Pinson in their respective individual capacities (bargained for exchanges).

8.06 Nothing in the Plan shall limit the liability of the professionals of the Debtors to their respective clients for malpractice pursuant to Rule 1.8(h) of the New York Rules of Professional Conduct.

8.07 Nothing in this Plan shall release any parties for liability for acts constituting willful misconduct, gross negligence, breach of fiduciary duty, criminal conduct, ultra vires acts, or disclosure of confidential information that causes damages.

ARTICLE IX

SALE OF REAL PROPERTY

9.01 Sale of the Real Property shall take place through an auction conducted by Maltz (prompt closing, property “as is” condition, no contingencies).

9.02 The sale of the Property shall take place free and clear of all liens, claims and encumbrances, with all liens, claims and encumbrances to attach to the proceeds of sale to the extent of the validity and the priority of such liens, claims and encumbrances held prior to the sale. The proceeds of the sale shall be paid in order of the following priority on or about the closing to (1) Real Estate Tax Liens and Real Estate taxes (2) holders of allowed claims secured by valid and perfected liens, (3) any allowed liens which may be necessary, (4) other liens or claims as necessary to close title unless the Debtors are exempted from payment, (5) costs and expenses of the estate in connection with such sales, including brokers or auctioneer’s fees, (6) any unpaid United States Trustee fees and (7) any unpaid administrative expenses for fees awarded to Court appointed professionals for the Debtors. All Lienors shall deliver any satisfactions, releases of judgment or other documentation necessary or desirable to effect closings on the sale of the Real Property, in exchange for and upon receipt and clearance of full payment of the allowed claim (unless such claim is reserved for). The Debtors may move in the Court herein on expedited ten (10) days’ notice to compel any such lienor to comply with its obligations hereunder. All the monies received at the Closing shall be held in escrow pending the expiration date of the Bar Date for filing claims in this case and then to be distributed in accordance with this Plan unless claims have been filed which modify or affect the present priority of claims, in which case the Court shall make determinations on the distribution with respect to the property involved in the claims that are subject to a dispute as to priority, provided however that this provision shall not delay payment of any Real Estate Tax Liens and Real Estate Taxes on the Real Property.

9.03 All the transactions provided for or contemplated in this Plan, including the sale of Real Property, the cancellation of debt, and the making or delivery of instrument of transfer, shall be exempt from any taxes, transfer taxes, recording fees, or other charges which may be exempted under Section 1146 of the Bankruptcy Code.

9.04 As to Units 1D and 1E, Rosenberg shall be permitted to “credit bid” the amount of his secured claims reduced to Judgment, of \$2,430,866.67 (as of December 31, 2017). To the extent necessary (in the event that Rosenberg’s credit bid is the successful

bid) Rosenberg will fund, with cash to the Estate, such payments as necessary to satisfy outstanding real property taxes on Units 1D and 1E, the secured tax liens on same, and to the extent that Rosenberg prevails over the claims of the Board of Managers, outstanding real property taxes on Parking Spaces Unit 4P and Unit 8P and will permit payment of the Attorney Fees to the Estate in the amount of \$35,000.00.

9.05 As to Parking Spaces Unit 10P, Unit 16P and Unit 17P, The Board of Managers of the Vermeil Condominium shall be permitted to “credit bid” the amount of their Judgment (of \$993,395.52 as of November 16, 2017). To the extent necessary (in the event that the Board of Managers’ credit bid is the successful bid), The Board of Managers will fund, with cash to the Estate, such payments as necessary to satisfy outstanding Real Estate taxes on Parking Spaces Unit 10P, Unit 16P and Unit 17P, outstanding Priority Tax claims and the Post-Confirmation Compensation to Debtors’ Counsel in the amount of \$12,500.00.

9.06 The proceeds of the sale of the Parking Spaces shall be paid first to Real Estate Taxes associated with the Parking Spaces. As to 4P and 8P, after payment of Real Estate Taxes, the balance shall be held in escrow pending further Order of the Court relating to the rights of Rosenberg and/or the Board of Managers to such proceeds, unless Rosenberg’s Claim is satisfied after the Units are sold, in which case the proceeds from all Parking Spaces shall be distributed to the Board of Managers. Prior to disbursement of the proceeds from the sale of the Parking Spaces (assuming that the prevailing party is not via a credit bid), proceeds will be paid as necessary to satisfy (in addition to outstanding Real Estate Taxes) outstanding Priority Tax claims and the Post-Confirmation Compensation to Debtors’ Counsel in the amount of \$12,500.00.

9.07 All the monies received at the Closing shall be held in escrow pending the expiration date of the Bar Date for filing claims in this case and then to be distributed in accordance with this Plan unless claims have been filed which modify or affect the present priority of claims, in which case the Court shall make determinations on the distribution with respect to the property involved in the claims that are subject to a dispute as to priority.

ARTICLE X

OTHER PROVISIONS

10.01 The Plan provisions of this Plan shall control over any inconsistencies inconsistent or contradictions contrary provisions in the Disclosure Statement provisions.

10.02 Pursuant to Local Bankruptcy Rule 3022-1, within fourteen (14) days following the full administration of its estate, the Debtors or the Plan Proponent shall file, on notice to the United States Trustee, an application and a proposed order for a final decree closing this case. Alternatively, the Court may enter such a final decree on its own motion. The Debtors shall continue to file quarterly post-confirmation status reports

and hold post-confirmation status conferences until the case is converted, closed, or dismissed, whichever happens earlier.

10.03 The Plan Proponent may modify the Plan at any time before confirmation of the Plan, but may not modify any provision concerning Jacob Rosenberg or his treatment under the Plan without written consent of Rosenberg. However, the Court may require a new disclosure statement and/or re-voting on the Plan. The Plan Proponent may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed modifications after notice and a hearing. Postconfirmation reports will be filed by the 20th day following the conclusion of the relevant calendar quarter.

10.04 To the extent necessary, said Barry D. Haberman, Esq. will act as disbursing agent, without further cost or expense to Rosenberg. A bond will not be required. The disbursing agent(s) shall maintain all accounts at banking institutions that are authorized depository institutions in the Eastern District of New York.

Respectfully submitted,

By: /s/ Jacob Pinson
Jacob Pinson, as Managing Member of
THE VERMEIL, LLC and
STERLING & SEVENTH, LLC
Debtors and Plan Proponent

By: /s/ Barry D. Haberman
BARRY D. HABERMAN, ESQ.
Attorney for Debtors and Plan
Proponents
THE VERMEIL, LLC and
STERLING & SEVENTH, LLC
254 South Main Street, #404
New City, New York 10956
845-638-4294
bdhlaw@aol.com

STANDARD FORM OF CONDOMINIUM APARTMENT LEASE
THE REAL ESTATE BOARD OF NEW YORK, INC.
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PREAMBLE: This Lease contains the agreements between You and Owner concerning the rights and obligations of each party. You and Owner have other rights and obligations which are set forth in government laws and regulations.

You should read this Lease carefully. If You have any questions, or if You do not understand any words or statements, get clarification. Once You and Owner sign this Lease, You and Owner will be presumed to have read it and understood it. You and Owner admit that all agreements between You and Owner have been written into this Lease except for obligations arising under the Condominium Documents (as defined in Article 4). You understand that any agreements made before or after this Lease was signed and not written into it will not be enforceable.

THIS LEASE is made as of 2 month 5 day 2017 year between
Owner, the Lessor, L. Pinson
whose address is _____, and
You, the Lessee, Mitchell Joachim
whose address is 133 Sterling Pl. #10

1. APARTMENT AND USE

Owner agrees to lease to You Condominium Unit 10 (the "Apartment") on the 2nd floor in the condominium apartment building at 133 Sterling Pl Borough of Kings City and State of New York which is known as the Vermont Condominium (the "Condominium"). You shall use the Apartment for living purposes only. The Apartment may be occupied only by You and the following Permitted Occupants:

You acknowledge that: (i) this Lease may not commence until the Condominium has waived any first refusal rights that it may have with respect to this Lease; and (ii) no other person other than You and the Permitted Occupants may reside in the Apartment without the prior written consent of the Owner and the Condominium.

2. LENGTH OF LEASE

This term (that means the length) of this Lease will begin on 2/5/17 and will end on 2/4/18. If You do not do everything You agree to do in this Lease, Owner may have the right to end this Lease before the ending date. If Owner does not do everything that Owner agrees to do in this Lease, You may have the right to end the Lease before the ending date. You acknowledge that the term of this Lease may be reduced as authorized by Article 6.

3. RENT

Your monthly rent for the Apartment is \$ 3450. You must pay Owner the rent in advance on the first day of each month either to Owner at the above address or at another place that Owner may inform You of by written notice. You must pay the first month's rent to Owner when You sign this Lease if the Lease begins on the first day of the month. If the Lease begins after the first day of the month, You must pay when You sign this Lease: (i) the part of the rent from the beginning date of this Lease until the last day of the month; and (ii) the full rent for the next full calendar month.

4. CONDOMINIUM DOCUMENTS

This Lease shall be subject and subordinate to: (i) the Declaration of Condominium, (ii) the Rules and Regulations of the Condominium (which are sometimes called House Rules), and (iii) the By-Laws of the Condominium. (The Declaration, the Rules and Regulations and the By-Laws of the Condominium and all amendments thereto, including any amendments subsequent to the date hereof, are collectively called the "Condominium Documents.") In the event of any inconsistency between the provisions of this Lease and the Condominium Documents, the provisions of the Condominium Documents shall govern and be binding.

You and the Permitted Occupants of the Apartment shall faithfully observe and comply with the Condominium Documents, other than the provisions of the Condominium Documents required to be performed by Owner (which include the payment of common charges for the Apartment to the Condominium). You and the Permitted Occupants of the Apartment shall not undertake any action which, if performed by Owner, would constitute a violation of the Condominium Documents. You have reviewed the Condominium Documents or waived their examination.

5. SECURITY DEPOSIT

You are required to give Owner the sum of \$ _____ when You sign this Lease as a security deposit, which is called in New York. Owner will deposit this security in _____ New York. This security account shall not bear interest.

If You carry out all of your obligations in this Lease and if You move out of the Apartment and return it to Owner in the same condition it was in when You first occupied it, except for ordinary wear and tear or damage caused by fire or other casualty through no fault of your own, Owner will return to You the full amount of your security deposit within 60 days after this Lease ends. However, if You do not carry out all your obligations in this Lease, Owner may keep all or part of your security deposit which has not yet been paid to You necessary to pay Owner for any losses incurred, including missed payments.

If Owner sells the Apartment, Owner will turn over your security either to You or to the person buying the Apartment within 5 days after the sale. Owner will then notify You, by registered or certified mail, of the name and address of the person or company to whom the deposit has been turned over. In such case, Owner will have no further responsibility to You for the security deposit. The new owner will become responsible to You for the security deposit.

6. IF YOU ARE UNABLE TO MOVE IN

A situation could arise which might prevent Owner from letting You move into the Apartment on the beginning date set in this Lease. If this happens for reasons beyond Owner's reasonable control, including the failure to obtain a waiver of any first refusal right that the Condominium may have with respect to this Lease prior to its beginning date, Owner will not be responsible for your damages or expenses and this Lease will remain in effect. However, in such case, the Lease will start on the date when You can move in; the ending date of this Lease as specified in Article 2 will remain the same. You will not have to pay rent until the move-in date Owner gives You by written notice, or the date You move in, whichever is earlier. If Owner does not give You notice that the move-in date is within 30 days after the beginning date of the term of this Lease as stated in Article 2, this Lease shall be canceled and all prepaid rent and security deposit shall be promptly returned to You.

7. CAPTIONS

In any dispute arising under this Lease, in the event of a conflict between the text and a caption, the text controls.

8. WARRANTY OF HABITABILITY

A. All of the sections of this Lease are subject to the provisions of the Warranty of Habitability Law in the form it may have from time to time during this Lease. Nothing in this Lease can be interpreted to mean that You have given up any of your rights under that law. Under that law, Owner agrees that the Apartment is fit for human habitation and that there will be no conditions which will be detrimental to life, health or safety.

B. You will do nothing to interfere to make more difficult the Condominium's efforts to provide You and all other occupants of the Condominium with the required facilities and services. Any condition caused by your misconduct or the misconduct of anyone under your direction or control shall not be a breach by Owner.

9. CARE OF YOUR APARTMENT; END OF LEASE-MOVING OUT

A. You will take good care of the Apartment and will not permit or do any damage to it, except for damage which occurs through ordinary wear and tear. You will move out on or before the ending date of this Lease and leave the Apartment in good order and in the same condition as it was when You first occupied it, except for ordinary wear and tear and damage caused by fire or other casualty through no fault of your own.

B. When the Lease ends, You must remove all of your movable property. You must also remove at your own expense, any wall covering, bookcases, cabinets, mirrors, painted murals or any other installation or attachment You may have installed in the Apartment, even if it was done with Owner's consent. If the Condominium imposes any "move-out" deposits or fees, You shall pay any such deposit or fee when requested by the Condominium. You must restore and repair to its original condition those portions of the Apartment affected by those installations and removals. You have not moved out until all persons, furniture and other property of yours is also out of the Apartment. If your property remains in the Apartment after the Lease ends, Owner may either treat You as still in occupancy and charge You for use, or may consider that You have given up the Apartment and any property remaining in the Apartment. In this event, Owner may either discard the property or store it at your expense. You agree to pay Owner for all costs and expenses incurred in removing such property. The provisions of this article will continue to be in effect after the end of this Lease.

10. CHANGES AND ALTERATIONS TO APARTMENT

You cannot build in, add to, change or alter, the Apartment in any way, including wallpapering, painting, repainting, or other decorating, without first obtaining the prior written consent of Owner and, if required under the Condominium Documents, the Condominium. Without Owner's and/or the Condominium's prior written consent, You cannot install or use in the Apartment any of the following: dishwasher machines, clothes washing or drying machines, electric stoves, garbage disposal units, heating, ventilating or air conditioning units or any other electrical equipment which, in Owner's and/or the Condominium's opinion, will overload the existing wiring installation in the Condominium or interfere with the use of such electrical wiring facilities by other occupants of the Condominium. Also, You cannot place in the Apartment water-filled furniture.

11. YOUR DUTY TO OBEY AND COMPLY WITH LAWS, REGULATIONS AND RULES

A. GOVERNMENT LAWS AND ORDERS. You will obey and comply (i) with all present and future city, state and federal laws and regulations which affect the Condominium or the Apartment, and (ii) with all orders and regulations of insurance rating organizations which affect the Apartment and the Condominium. You will not allow any windows in the Apartment to be cleaned from the outside unless the prior written consent of the Condominium is obtained.

B. CONDOMINIUM'S RULES AFFECTING YOU. You will obey all of the Condominium Documents other than the provisions of the Condominium Documents required to be performed by Owner.

C. YOUR RESPONSIBILITY. You are responsible for the behavior of yourself, the Permitted Occupants of the Apartment, your servants and people who are visiting You. You will reimburse Owner as additional rent upon demand for the cost of all losses, damages, fines and reasonable legal expenses incurred by Owner because You, the Permitted Occupants of the Apartment, servants or people visiting the Apartment, have not obeyed government laws and orders, the Condominium Documents or this Lease.

12. OBJECTIONABLE CONDUCT

You, the Permitted Occupants of the Apartment, servants or people visiting the Apartment will not engage in objectionable conduct at the Condominium. Objectionable conduct means behavior which makes or will make the Apartment or the Condominium less fit to live in for You or other occupants. It also means anything which interferes with the right of others to properly and peacefully enjoy their apartments, or causes conditions that are dangerous, hazardous, unsanitary and detrimental to other occupants of the Condominium. Objectionable conduct by You gives Owner the right to end this Lease.

13. SERVICES AND FACILITIES

A. REQUIRED SERVICES. The Condominium will provide cold and hot water and heat, as required by law, repairs to the Apartment, as required by the Condominium Documents, elevator service if the Condominium has elevator equipment, and the utilities, if any, included in the rent, as set forth in subparagraph B. You are not entitled to any rent reduction because of a stoppage or reduction of any of the above services unless it is provided by law.

B. The following utilities are included in the rent

cold water

C. ELECTRICITY AND OTHER UTILITIES. If the Condominium provides electricity or gas for a separate, submetered charge, your obligations to the Condominium and/or Owner are described in a rider attached to this Lease. If electricity or gas is not included in the rent and is not charged separately by the Condominium and/or Owner, You must arrange for this service directly with the utility company. You must also pay directly for telephone service and cable television service if the cost of any such service is not included in the rent.

D. APPLIANCES. Appliances supplied by Owner in the Apartment are for your use. They are in good working order on the date hereof and will be maintained and repaired or replaced by Owner, but if repairs or replacement are made necessary because of your negligence or misuse, You will pay Owner for the cost of such repair or replacement as additional rent.

E. FACILITIES. If the Condominium permits Owner to use any storeroom, storage bin, laundry or any other facility located in the Condominium but outside of the Apartment, and provided such use is transferable to You by Owner pursuant to the Condominium Documents, the use of any such facility will be furnished to You free of charge and at your own risk. You will operate at your expense any coin operated appliances located in any such facility.

14. INABILITY TO PROVIDE SERVICES

Because of a strike, labor trouble, national emergency, repairs, or any other cause beyond Owner's and the Condominium's reasonable control, Owner and the Condominium may not be able to provide or may be delayed in providing any services or in making any repairs to the Apartment and/or the Condominium. In any of these events, any rights You may have against Owner are only those rights which are allowed by laws in effect when the reduction in service occurs.

16. ENTRY TO APARTMENT

During reasonable hours and with reasonable notice, except in emergencies, Owner, Owner's representatives and agents or employees of the Condominium may enter the Apartment for the following reasons:

A. To erect, use and maintain pipes and conduits in and through the walls and ceilings of the Apartment; to inspect the Apartment; and to make any necessary repairs or changes Owner or the Condominium decide are necessary. Your rent will not be reduced because of any of this work, unless the common charges payable by Owner to the Condominium are reduced.

B. To show the Apartment to persons who may wish to become owners of the Apartment or may be interested in lending money to Owner.

C. For two months before the end of the Lease, to show the Apartment to persons who wish to lease it.

D. If, during the last month of the Lease, You have moved out and removed all or almost all of your property from the Apartment, Owner may enter to make changes, repairs or redecorations. Your rent will not be reduced for that month and this Lease will not be ended by Owner's entry.

E. If, at any time, You are not personally present to permit Owner, Owner's representatives or the agents and employees of the Condominium, to enter the Apartment and entry is necessary or allowed by law, under the Condominium Documents or this Lease, Owner, Owner's representatives or the agents and employees of the Condominium may nevertheless enter the Apartment. Owner, Owner's representatives or the agents and employees of the Condominium may enter by force in an emergency. Owner will not be responsible to You, unless during this entry, any authorized party is negligent or misuses your property.

16. ASSIGNING; SUBLETTING; ABANDONMENT

A. Assigning and Subletting. You cannot assign this Lease or sublet the Apartment. You acknowledge that Owner may refuse any request made by You to assign this Lease or to sublet the Apartment for any reason or no reason.

B. Abandonment. If You move out of the Apartment (abandonment) before the end of this Lease without the consent of Owner, this Lease will not be ended. You will remain responsible for each monthly payment of rent as it becomes due until the end of this Lease. In case of abandonment your responsibility for rent will end only if Owner chooses to end this Lease for default as provided in Article 17.

17. DEFAULT

A. You default under the Lease if You act in any of the following ways:

- (i) You fail to carry out any agreement or provision of this Lease;
- (ii) You, a Permitted Occupant of the Apartment, servants or people visiting the Apartment behave in an objectionable manner;
- (iii) You, a Permitted Occupant of the Apartment, servants or people visiting the Apartment violate any of the Condominium Documents;
- (iv) You do not take possession or move into the Apartment 15 days after the beginning of this Lease; or
- (v) You and the Permitted Occupants of the Apartment move out permanently before this Lease ends.

If You do default in any one of these ways, other than a default in the agreement to pay rent, Owner may serve You with a written notice to stop or correct the specified default within 10 days. You must then either stop or correct the default within 10 days, or, if You need more than 10 days, You must begin to correct the default within 10 days and continue to do all that is necessary to correct the default as soon as possible.

B. If You do not stop or begin to correct a default within 10 days, Owner may give You a second written notice that this Lease will end 6 days after the date the second written notice is sent to You. At the end of the 6-day period, this Lease will end. You then must move out of the Apartment. Even though this Lease ends, You will remain liable to Owner for unpaid rent up to the end of this Lease, the value of your occupancy, if any, after the Lease ends, and damages caused to Owner after that time as stated in Article 18.

C. If You do not pay your rent when this Lease requires after a personal demand for rent has been made, or within 3 days after a statutory written demand for rent has been made, or if the Lease ends Owner may do the following: (i) enter the Apartment and retake possession of it if You have moved out; (ii) go to court and ask that You and all other occupants in the Apartment be compelled to move out.

Once this Lease has been ended, whether because of default or otherwise, You give up any right You might otherwise have to reinstate this Lease.

18. REMEDIES OF OWNER AND YOUR LIABILITY

If this Lease is ended by Owner because of your default, the following are the rights and obligations of You and Owner.

A. You must pay your rent until this Lease has ended. Thereafter, You must pay an equal amount for what the law calls "use and occupancy" until You actually move out.

B. Once You are out, Owner may re-rent the Apartment or any portion of it for a period of time which may end before or after the ending date of this Lease. Owner may re-rent to a new subtenant at a lesser rent or may charge a higher rent than the rent in this Lease.

C. Whether the Apartment is re-rented or not, You must pay to Owner as damages:

- (i) the difference between the rent in this Lease and the amount, if any, of the rents collected in any later lease of the Apartment for what would have been the remaining period of this Lease, and
- (ii) Owner's expenses for the cost of putting the Apartment in good condition for re-rental; and
- *** (iii) Owner's expenses for attorney's fees. *(Delete if inapplicable)*

D. You shall pay all damages due in monthly installments on the rent day established in this Lease. Any legal action brought to collect one or more monthly installments of damages shall not prejudice in any way Owner's right to collect the damages for a later month by a similar action. If the rent collected by Owner from a subsequent subtenant of the Apartment is more than the unpaid rent and damages which You owe Owner, You cannot receive the difference. Owner's failure to re-rent to another subtenant will not release or change your liability for damages, unless the failure is due to Owner's deliberate inaction.

19. ADDITIONAL OWNER REMEDIES

If You do not do everything You have agreed to do, or if You do anything which shows that You intend not to do what You agreed to do, Owner has the right to ask a Court to make You carry out your agreement or to give the Owner such other relief as the Court can provide. This is in addition to the remedies in Article 17 and 18 of this Lease.

20. FEES AND EXPENSES

A. You must reimburse Owner for any of the following fees and expenses incurred by Owner:

- (i) Making any repairs to the Apartment or the Condominium, including any appliances in the Apartment, which result from misuse or negligence by You, the Permitted Occupants of the Apartment, persons who visit the Apartment or work for You;
- (ii) Correcting any violations of city, state or federal laws or orders and regulations of insurance rating organization concerning the Apartment or the Condominium which You, the Permitted Occupants of the Apartment, persons who visit the Apartment or work for You have caused;

- (iii) Preparing the Apartment for the next tenant if You move out of the Apartment before the Lease ending date without Owner's prior written consent;
- *** (iv) Any legal fees and disbursements for legal actions or proceedings brought by Owner against You because of a default by You for defending lawsuits brought against Owner because of the actions of You, the Permitted Occupants of the Apartment, persons who visit the Apartment or work for You (Delete if inapplicable);
- (v) Removing all of your property after this Lease is ended;
- (vi) Any miscellaneous charges payable to the Condominium for services You requested that are not required to be furnished by You under this Lease for which You have failed to pay the Condominium and which Owner has paid;
- (vii) All other fees and expenses incurred by Owner because of the failure to obey any other provisions and agreements of this Lease or the Condominium Documents by You, the Permitted Occupants of the Apartment, persons who visit the Apartment or work for You.

These fees and expenses shall be paid by You to Owner as additional rent within 30 days after You receive Owner's bill or statement. If this Lease has ended when these fees and expenses are incurred, You will still be liable to Owner for the same amount as damages.

B. Owner agrees that unless subparagraph (iv) of subparagraph 20 A has been stricken out of this Lease, You have the right to collect reasonable legal fees and expenses incurred in a successful defense by You of a lawsuit brought by Owner against You or brought by You against Owner to the extent provided by Real Property Law Section 234.

C. You shall pay the Condominium on demand for the cost of any miscellaneous charges payable to the Condominium for services You requested that are not required to be furnished by You under this Lease.

21. PROPERTY LOSS, DAMAGES OR INCONVENIENCE

Unless caused by the negligence or misconduct of Owner, Owner's representatives or the agents and employees of the Condominium, none of these authorized parties are responsible to You for any of the following: (i) any loss of or damage to You or your property in the Apartment or the Condominium due to any accidental or intentional cause, even a theft or another crime committed in the Apartment or elsewhere in the Condominium; (ii) any loss of or damage to your property delivered to any agent or employee of the Condominium (i.e. doorman, superintendent, etc.); or (iii) any damage or inconvenience caused to You by actions, negligence or violations of the Condominium Documents made by any other tenant or person in the Condominium except to the extent required by law.

Owner will not be liable for any temporary interference with light, ventilation, or view caused by construction by or on behalf of the Condominium. Owner will not be liable for any such interference on a permanent basis caused by construction on any parcel of land not owned by Owner or the Condominium. Owner will not be liable to You for such interference caused by the permanent closing, darkening or blocking up of windows, if such action is required by law. None of the foregoing events will cause a suspension or reduction of the rent or allow You to cancel the Lease.

22. FIRE OR CASUALTY

A. If the Apartment becomes unusable, in part or totally, because of fire, accident or other casualty, this Lease will continue unless ended by Owner under subparagraph C below or by You under subparagraph D below. However, the rent will be reduced immediately. This reduction will be based upon the square footage of the part of the Apartment which is unusable.

B. Owner and/or the Condominium will repair and restore the Apartment, unless Owner decides to take actions described in subparagraph C below.

C. After a fire, accident or other casualty in the Building, the Condominium may decide to tear down the Condominium building or to substantially rebuild it. In such case, Owner need not restore the Apartment but may end this Lease. Owner may do this even if the Apartment has not been damaged, by giving You written notice of this decision within 30 days after the date when the damage occurred. If the Apartment is unusable when Owner gives You such notice, this Lease will end 60 days from the last day of the calendar month in which You were given the notice.

D. If the Apartment is completely unusable because of fire, accident or other casualty and it is not repaired in 30 days, You may give Owner written notice that You end the Lease. If You give that notice, this Lease is considered ended on the day that the fire, accident or casualty occurred. Owner will promptly refund your security deposit and the pro-rata portion of rents paid for the month in which the casualty happened.

E. Unless prohibited by the applicable policies, to the extent that such insurance is collected, You and Owner release and waive all right of recovery against the other or anyone claiming through or under each by way of subrogation.

F. You acknowledge that if fire, accident, or other casualty causes damage to any of your personal property in the Apartment, including, but not limited to your furniture and clothes, neither the Owner nor the Condominium will be responsible to You for the repair or replacement of any such damaged personal property unless such damage was as a result of the Owner's or the Condominium's negligence.

23. PUBLIC TAKING

The entire Condominium or a part of it can be acquired (condemned) by any government or government agency for a public or quasi-public use or purpose. If this happens, this Lease shall end on the date the government or agency take title. You shall have no claim against Owner for any damage resulting; You also agree that by signing this Lease, You assign to Owner any claim against the government or government agency for the value of the unexpired portion of this Lease.

24. SUBORDINATION CERTIFICATE AND ACKNOWLEDGMENTS

All mortgages of the Apartment now in effect or made after this Lease is signed, and any lien created by the Condominium Documents come ahead of this Lease. In other words, this Lease is "subject and subordinate to" any lien created by the Condominium Documents and existing or future mortgages on the Apartment, including any renewals, consolidations, modifications and replacements of any such mortgage. If certain provisions of any such mortgage or the Condominium Documents come into effect, the holder of any such mortgage or the Condominium can end this Lease and such parties may commence legal action to evict You from the Apartment. If this happens, You acknowledge that You have no claim against Owner, the Condominium or such mortgage holder. If Owner requests, You will sign promptly an acknowledgment of the "subordination" in the form that Owner may require.

You also agree to sign (if accurate) a written acknowledgment to any third party designated by Owner that this Lease is in effect, that Owner is performing Owner's obligations under this Lease and that You have no present claim against Owner.

25. YOUR RIGHT TO LIVE IN AND USE THE APARTMENT

Provided the Condominium waives any right of first refusal it may have with respect to this Lease, if You pay the rent and any required additional rent on time and You do everything You have agreed to do in this Lease, your tenancy cannot be cut off before the ending date, except as provided for in Articles 22, 23 and 24.

26. BILLS AND NOTICE

A. Notices to You. Any notice from Owner or Owner's agent or attorney will be considered properly given to You if it is: (i) in writing, (ii) signed by or in the name of Owner or Owner's agent, and (iii) addressed to You at the Apartment and delivered to You personally or sent by registered or certified mail to You at the Apartment. The date of service of any written notice by Owner to You under this agreement is the date of delivery or mailing of such notice.

B. Notices to Owner. If You wish to give a notice to Owner, You must write it and deliver it or send it by registered or certified mail to Owner at the address noted on page 1 of this Lease or to another address of which Owner or Agent has given You written notice.

27. GIVING UP RIGHT TO TRIAL BY JURY AND COUNTERCLAIM

A. Both You and Owner agree to give up the right to a trial by jury in a court action, proceeding or counterclaim on any matters concerning this Lease, the relationship of You and Owner as lessee and lessor or your use or occupancy of the Apartment. This agreement to give up the right to a jury trial does not include claims or personal injury or property damage.

B. If Owner begins any court action or proceeding against You which asks that You be compelled to move out, You cannot make a counterclaim unless You are claiming that Owner has not done what Owner is supposed to do about the condition of the Apartment or the Condominium.

28. NO WAIVER OF LEASE PROVISIONS

A. Even if Owner accepts your rent or fails once or more often to take action against You when You have not done what You have agreed to do in this Lease the failure of Owner to make action or Owner's acceptance of rent does not prevent Owner from taking action at a later date if You against do not do what You have agreed to do.

B. Only a written agreement between You and Owner can waive any violation of this Lease.

C. If You pay and Owner accepts an amount less than all the rent due, the amount received shall be considered to be in payment of all or part of the earliest rent due. It will not be considered an agreement by Owner to accept this lesser amount in full satisfaction of all of the rent due unless there is a written agreement between You and Owner.

D. Any agreement to end this Lease and also to end the rights and obligations of You and Owner must be in writing, signed by You and Owner or Owner's agent. Even if You give keys to the Apartment and they are accepted by either any employee or agent of the Condominium, Owner's representatives or Owner, this Lease is not ended.

E. This Lease, or any provision hereof, may not be modified, amended, extended, waived or abrogated without the prior written consent of the Condominium.

29. CONDITION OF THE APARTMENT

When You signed this Lease, You did not rely on anything said by Owner, Owner's representatives or the Condominium's employees, agents, or superintendent about the physical condition of the Apartment, the Condominium or the land on which is built. You did not rely on any promises as to what would be done, unless what was said or promised is written in this Lease and signed by both You and Owner. Before signing this Lease, You have inspected the Apartment and You accept it in its present condition "as is", except for any condition which You could not reasonably have seen during your inspection. You agree that Owner has not promised to do any work in the Apartment except as specified in a rider attached to this Lease.

30. DEFINITIONS

A. Owner. The term "Owner" means the person or organization receiving or entitled to receive rent from You for the Apartment at any particular time other than a rent collector or managing agent of Owner. "Owner" is the person or organization that owns legal title to the Apartment. It does not include a former Owner, even if the former Owner signed this Lease.

B. You. The term "You" means the person or persons signing this Lease as lessee and the successors and assigns of the signer. This Lease has established a lessor-lessee relationship between Owner and You.

31. SUCCESSOR INTERESTS

The agreements in this Lease shall be binding on Owner and You and on those who succeed to the interest of Owner or You by law, by approved assignment or by transfer.

32. INSURANCE

You may obtain liability insurance insuring You, the Permitted Occupants of the Apartment, your servants and people visiting the Apartment, and personal property insurance insuring your furniture and furnishings and other items of personal property located in the Apartment. You may not maintain any insurance with respect to any furniture or furnishings belonging to Owner that are located in the Apartment. You acknowledge that Owner may not be required to maintain any insurance with respect to the Apartment.

33. WAIVER OF CONDOMINIUM'S FIRST REFUSAL RIGHT [DELETE IF INAPPLICABLE]

You shall furnish to the Condominium or its managing agent, within 5 business days after the date of this Lease, such personal and financial references and additional information concerning You and the Permitted Occupants of the Apartment as may be requested in order to obtain the waiver of the Condominium's right of first refusal with respect to this Lease, including the submission of any application requested by the Condominium.

You acknowledge that this Lease will not commence and that You and the Permitted Occupants shall have no right to occupy the Apartment until the waiver of the Condominium's right of first refusal with respect to this Lease is obtained. If such waiver has not been obtained by the date specified in Article 2 as the beginning date of this Lease, You shall have no obligation to pay rent until such waiver has been obtained. All rent prepaid for the period You are unable to occupy the Apartment because of the failure to obtain such waiver shall be applied by Owner to subsequent rent payable hereunder. If such waiver is not obtained within 30 days after the date specified in Article 2 as the beginning date of this Lease, this Lease shall be canceled and all prepaid rent and security deposit shall be promptly returned to You.

34. FURNITURE [DELETE IF INAPPLICABLE]

The Apartment is being leased as fully furnished; a rider attached to this Lease lists all furniture and furnishings contained in the Apartment. You shall accept the furniture and furnishings contained in the Apartment "as is" on the commencement date of this Lease. Owner represents that all such furniture and furnishings are in good repair and in working order on the commencement date of this Lease except as may be noted in such rider.

You shall take good care of the furniture and furnishings in the Apartment during the pendency of this Lease and shall be liable for any damages caused by You to such furniture and furnishings. You shall not be responsible for any damages to such furniture and furnishings not caused by You or caused by ordinary wear and tear. You shall surrender such furniture and furnishings when this Lease terminates in the same condition as on the date this Lease commenced, subject to ordinary wear and tear. If any repairs are required to the furniture and furnishings in the Apartment when this Lease terminates, You shall pay Owner upon demand the cost of any required repairs.

You may not remove any furniture or furnishings from the Apartment or change the location of any such furniture or furnishings during the pendency of this Lease without Owner's prior written consent.

35. BROKER [DELETE EITHER SUBPARAGRAPH A OR B]

A. You represent to Owner that You have not dealt with any real estate broker(s) in connection with the leasing of the Apartment other than _____ (and that _____ is your real estate broker(s) in accordance with a separate agreement. You shall indemnify and hold Owner harmless from any and all loss incurred by Owner as a result of a breach of the foregoing representations.

B. You represent to Owner that you have not dealt with any real estate broker in connection with the leasing of the Apartment. You shall indemnify and hold Owner harmless from any and all loss incurred by Owner as a result of a breach of the foregoing representation.

36. YOUR OPTION TO RENEW [DELETE IF INAPPLICABLE]

A. You shall have the right to extend the term of this Lease for _____ year(s) commencing _____ and ending on _____ (the "Extension Term") provided: (i) You give Owner notice (the "Extension Notice") in the manner required of your election to extend the term of this Lease; (ii) the Extension Notice must be given Owner at least _____ days prior to the ending date of this Lease stated in Article 2; and (iii) You may not be in default of any provisions of the Lease. The Extension Notice is given and on the commencement date of the Extension Term. If You fail to send the Extension Notice to Owner by the date specified herein, this Article 36 shall be of no further force and effect.

B. The monthly rent payable by You during the Extension Term shall be \$ _____
C. All provisions of this Lease, except as modified by this Article 36, shall remain in full effect during the Extension Term.

37. LEAD PAINT DISCLOSURE [DELETE IF THE CONDOMINIUM WAS ERECTED AFTER 1978]

Simultaneously with the execution of this Lease, You and Owner shall sign and complete the disclosure of information on lead-based paint and/or lead-based paint hazards annexed as a rider attached to this Lease. You acknowledge receipt of the pamphlet "Protect Your Family From Lead in Your Home" prepared by the United States Environmental Protection Administration.

38. PETS [DELETE EITHER SUBPARAGRAPH A OR B]

A. You may not keep any pets in the Apartment.

B. If authorized by the Condominium Documents, You may keep pets in the Apartment provided: (i) You obtain the prior written consent of Owner; and (ii) You comply with the Condominium Documents with respect to the keeping of pets in the Condominium.

39. KEYS

Owner shall retain keys to all locks of the Apartment. If You make any changes to any such lock, You must deliver keys to Owner, and to the Condominium or its managing agent. At the end of this Lease, You must deliver to Owner all keys to the Apartment. If You fail to return any keys, You shall pay Owner the cost of replacing any such keys.

40. WINDOW GUARDS

You shall complete and deliver to the Condominium, when requested, a notice with respect to the installation of window guards in the Apartment in the form required by the City of New York. You acknowledge that it is a violation of law to refuse, interfere with installation, or remove window guards where required.

41. OWNER'S DEFAULT TO CONDOMINIUM

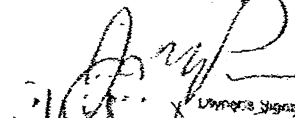
If (i) Owner defaults in the payment to the Condominium of common charges or other assessments payable to the Condominium with respect to the Apartment; (ii) the Condominium notifies You of such default; and (iii) the Condominium instructs You to pay the rent under this Lease to the Condominium, then You shall pay all future installments of rent payable under this Lease to the Condominium until such time as the Condominium advises that the Owner's default has been cured. Owner acknowledges that if You pay any installment of rent payable under this Lease to the Condominium as herein provided, You have satisfied your obligation to pay any such installment of rent to Owner. Nothing contained in this Article shall suspend your obligation to pay rent under this Lease.

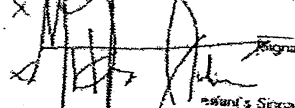
42. BINDING EFFECT

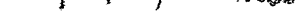
It is expressly understood and agreed that this Lease shall not constitute an offer or create any rights in your favor, and shall in no way obligate or be binding upon Owner, and this Lease shall have no force or effect until this Lease is duly executed by You and Owner and a fully executed copy of this Lease is delivered to both You and Owner.

TO CONFIRM OUR AGREEMENTS, OWNER AND YOU RESPECTIVELY SIGN THIS LEASE ON _____ THE DAY AND YEAR FIRST WRITTEN ON PAGE 1.

WITNESS:



Owner's Signature (L.S.)


Signature (L.S.)


Tenant's Signature (L.S.)

GUARANTY

The undersigned Guarantor guarantees to Owner the strict performance of and observance by Lessee of all the agreements, provisions and rules in the attached Lease. Guarantor agrees to waive all notices when Lessee is not paying rent or not observing and complying with all of the provisions of the attached Lease. Guarantor agrees to be equally liable with Lessee so that Owner may sue Guarantor directly without first suing Lessee. The Guarantor further agrees that this guaranty shall remain in full effect even if the Lessee is renewed, changed or extended in any way and even if Owner has to make a claim against Guarantor. Owner and Guarantor agree to waive trial by jury in any such action, proceeding or counterclaim brought against the other on any matters concerning the attached Lease or the Guaranty.

Dated _____

Witness

Guarantor

Address

Exhibit B – Identity and Value of Material Assets of Debtors

Real Property identified as Unit 1D, 133 Seventh Place, Brooklyn, New York

Unit 1E 133 Seventh Place, Brooklyn, New York

Parking Space Unit 4 P, 133 Seventh Place, Brooklyn, New York

Parking Space Unit 8 P, 133 Seventh Place, Brooklyn, New York

Parking Space Unit 10 P, 133 Seventh Place, Brooklyn, New York

Parking Space Unit 16 P, 133 Seventh Place, Brooklyn, New York

Parking Space Unit 17 P, 133 Seventh Place, Brooklyn, New York

Exhibit C
Most Recently Filed Postpetition Operating Report

Exhibit D

Omitted

Exhibit E – Liquidation Analysis***Plan Proponent's Estimated Liquidation Value of Assets*****Assets**

<i>Total Assets at Liquidation Value</i>	\$1,600,000.00
Less:	
Secured creditors' recoveries	\$1,600,000.00
Less:	
Chapter 7 trustee fees and expenses	\$10,000.00
Less:	
Chapter 11 administrative expenses	\$35,000.00
Less:	
Tax Liens & Priority claims	\$30,000.00
(1) Balance for unsecured claims	\$0.00
(2) Total dollar amount of unsecured claims	\$0.00
<i>Percentage of Claims Which Unsecured Creditors Would Receive or Retain in a Chapter 7 Liquidation</i>	\$0.00
<i>Percentage of Claims Which Unsecured Creditors Will Receive or Retain under the Plan:</i>	\$0.00

Liquidation would not provide complete recovery of Principal to Secured Creditor

Sale at auction provides best market for Secured Creditors and Priority Claims

Exhibit F – Projections of Cash Flow and Earnings for Post-Confirmation Period

1. The Plan would permit the sale of the real property pursuant via an auction.
2. Out of the proceeds of the sale, all Administration Expenses, Priority Claims and Real Estate Taxes would be satisfied, as allocated between Rosenberg and The Board of Managers of the Vermeil Condominium.
 - a. As to Unit 1D and Unit 1E, Rosenberg to pay outstanding Tax Liens and outstanding real property taxes, Rosenberg to pay attorney fees of the Estate in the amount of \$35,000.00. (In the event of successful Credit Bid, Rosenberg will fund the payments required herein.)
 - b. The Board of Managers will pay outstanding taxes on the Parking Spaces, Priority Claims (IRS taxes in the amount of \$11,226.21), outstanding Post-Petition Common Charges, and will fund the Post-Confirmation Compensation to Debtors' Counsel in the amount of \$12,500.00. (In the event of successful Credit Bid, The Board of Managers will fund the payments required herein.)
3. Proceeds from the sale for of Unit 1D and Unit 1E (less payments made pursuant to paragraph 2 above) would be remitted to Rosenberg.
4. Proceeds from the sale for of Unit 10P, Unit 16P and Unit 17P would be remitted to The Board of Managers of the Vermeil Condominium Association (less payments made pursuant to the Plan.
5. As to 4P and 8P, after payment of Real Estate Taxes, the balance shall be held in escrow pending further Order of the Court relating to the rights of Rosenberg and/or the Board of Managers to such proceeds, unless Rosenberg's Claim is satisfied after the Units are sold, in which case the proceeds from all Parking Spaces shall be distributed to the Board of Managers. Prior to disbursement of the proceeds from the sale of the Parking Spaces, proceeds will be paid as necessary to satisfy (in addition to outstanding Real Estate Taxes) outstanding Priority Tax claims and the Post-Confirmation Compensation to Debtors' Counsel in the amount of \$12,500.00.
6. Upon occurrence of the foregoing, all assets will have been fully distributed. To the extent any funds remain, same would be proportionally divided among the general unsecured creditors.