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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

**LADERA PARENT LLC and
LADERA, LLC,**

Debtors.

Case No.: 16-13382 and
16-13383-mew
(Jointly Administered)

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**JOINT DISCLOSURE STATEMENT FOR JOINT PLAN
FOR LADERA PARENT LLC AND LADERA, LLC**

THIS IS NOT A SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE JOINT PLAN FOR LADERA PARENT LLC AND LADERA, LLC. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED TO THE BANKRUPTCY COURT FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THE INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT.

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Dated: New York, New York
April 28, 2017

DISCLAIMER

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

ALL CREDITORS AND HOLDERS OF EQUITY INTERESTS SHOULD READ THIS DISCLOSURE STATEMENT AND ALL EXHIBITS HERETO, INCLUDING THE PLAN, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN AND THE EXHIBITS ANNEXED TO THE DISCLOSURE STATEMENT AND THE PLAN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN. THE TRANSMISSION OF THIS DISCLOSURE STATEMENT SHALL NOT CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION STATED SINCE THE DATE HEREOF. AFTER THE DATE HEREOF, THERE CAN BE NO ASSURANCE THAT (A) THE INFORMATION AND REPRESENTATIONS CONTAINED HEREIN WILL BE MATERIALLY ACCURATE, AND (B) THIS DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE, AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NONBANKRUPTCY LAW. THIS DISCLOSURE STATEMENT WAS PREPARED TO PROVIDE HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTOR WITH "ADEQUATE INFORMATION" (AS DEFINED IN THE BANKRUPTCY CODE) SO THAT THEY CAN MAKE AN INFORMED JUDGMENT ABOUT THE PLAN.

THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, AS A STIPULATION OR AS A WAIVER, BUT, RATHER, AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE DEBTOR OR ANY

OTHER PARTY, NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE REORGANIZATION OR THE PLAN ON HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTOR.

A glossary of terms frequently used in this disclosure statement, is set forth in Article 1 of the plan of liquidation filed with the Bankruptcy Court.

SUMMARY

The Debtors, **Ladera Parent LLC (“L.P.”) and Ladera, LLC** (“Ladera” and with L.P., the “Debtors”), have filed their *Joint Plan for Ladera Parent LLP and Ladera, LLC* dated March 29, 2017 (the “Plan”), with the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). This *Disclosure Statement for Joint Plan for Ladera Parent LLC and Ladera, LLC* (the “Disclosure Statement”) is being submitted to the Bankruptcy Court for approval for use in connection with the solicitation of acceptances of the Plan from holders of Claims against and Interests in the Debtors pursuant to section 1125 of title 11 of the United States Code (the “Bankruptcy Code”).

In the Debtors’ opinion, the treatment of claims under the Plan provides a greater recovery for Creditors than that which is likely to be achieved under other alternatives.

Accordingly, the Debtors believe that Confirmation of the Plan is in the best interests of Creditors and the estates.

THE DEBTORS

Debtors, through their principal, Hans Futterman (“Futterman”), began assembling the development project in May 2004 and had entered into their first contracts in 2006. Closings began in 2008 on air rights and then continued through 2011 for the gas station site. Originally, funding was provided for by a loan from Romspen/Procida. A closing was supposed to occur on the garage parcel in April 2014 with full funding for the project of \$130mm to be provided by third party lenders. Unfortunately, the garage parcel owners refused to close in the time frame required forcing litigation seeking specific performance.

When the project financing was lost, the Debtors arranged a loan from RWN to refinance and takeout Romspen/Procida. Debtors explored multiple replacement financing options, and ultimately entered into a loan with RWN. The original RWN loan was intended to be a one (1) year note with a one (1) year extension.

In between the time that the RWN loan closed and the default, numerous other negotiations were had between the parties and agreements were reached. Meanwhile Debtors proceeded on the project, including a closing of the garage property. Following same, the Debtors' lack of funds puts them behind on the project. While the Debtors tried to identify lenders and/or buyers, they were unable to do so.

In April 2016, Debtors began to work with a well known global financial service firm towards a full financing of the project. In June, RWN notified the parties that Debtors were in default. A forbearance period was agreed to through the end of August 2016. The forbearance agreement required payment of certain fees and an increase in the interest rate from 15% to 19.5%.

The potential financing fell apart in August 2016, and Debtors were not able to find a replacement lender. RWN gave official notice of default and that the forbearance period was over. It also notified the parties that it intended to conduct a UCC auction of the equity interests in Ladera Parent that had been pledged to it. RWN engaged EastDil Secured to proceed with a public foreclosure auction of their secured interests in the L.P. entity.

In the fall of 2016, the Debtors began seeing interest again, including several contracts that were in negotiation for sale of the project and even prospective financing. The Debtors tried to be transparent with RWN; they shared financial information as requested. Debtors were in negotiations with a financing partner at the time of the proposed EastDil scheduled sale. At the request of the Debtors, RWN agreed to adjourn the sale for a short period to allow discussions to proceed.

While RWN was pursuing the UCC sale, Debtors had engaged bankruptcy counsel and initiated a dialogue with their independent managers, whom after consultation with counsel, supported the Debtors' efforts.

Ladera is 100% owned by L.P. L.P. is 100% owned by 300 W122 Holdings, LLC. The Plan provides for the sale of certain of the Debtor's Assets and the payment to creditors on account of their claims from the sale proceeds.

THE PLAN

As stated above, the Plan provides for a sale of the Debtors' Assets. On April 4, 2017, Debtors filed with the Bankruptcy Court a motion to approve (i) bidding procedures and (ii) auction sale of the Assets (the "Motion"). That Motion is to establish the terms of sale for the public auction of the Assets. The sale though shall be in furtherance of The Plan, filed on March 29, 2017. The Sale Proceeds shall be distributed to creditors on account of their Allowed Claims in accordance with the priorities established by the Bankruptcy Code.

The table below provides a summary of the classification and treatment of Claims under the Plan. The figures set forth in the table below represent the Debtors' best estimate of the aggregate amount of Claims in the Cases. These estimates are based on an analysis of the Schedules filed by the Debtors, the Proofs of Claims filed by Creditors, and certain other documents of public record. There can be no assurance that Claims will be allowed by the Bankruptcy Court in the amounts set forth below. The aggregate amount of Allowed Claims may be significantly lowered from the amounts set forth below as the result of objections to claims which may be brought by the Debtors or through stipulations which may be negotiated with various creditors.

Class and Estimated Amount ¹	Type of Claim or Equity Interest	Summary of Treatment
\$ 0	Administrative Claims (excluding Claims for professional compensation and reimbursement and Administrative Tax Claims, but including post-petition ordinary course liabilities)	Subject to the provisions of article 7 of the Plan with respect to Disputed Claims, each Administrative Claim, to the extent not previously paid, shall be paid by the Disbursing Agent in Cash in full on (i) the later of (x) 30 days after the Closing Date, (y) the date payment of such Claim is due under the terms thereof or applicable law, or (z) three business days after such Claim becomes an Allowed Administrative Claim or (ii) as may be otherwise mutually agreed in writing between the Debtors and the Holder of such Claim; <i>provided, however,</i> that any Administrative Claim incurred by the Debtors in the ordinary course of their businesses shall be paid in full or performed by the Post-Effective Date Debtors in accordance with the terms and conditions of the particular transaction giving rise to such Administrative Claim and any agreements relating thereto.
\$ 90,000.00	Administrative Tax Claims	Subject to the provisions of Article 7 of the Plan with respect to Disputed Claims, all allowed Administrative Tax Claims held by Governmental Units shall be paid, in Cash, in full either (i) on or prior to within 30 days of the Closing Date, or (ii) upon such other terms as may be agreed to, in writing, between the Debtors and such Governmental Units on or before the Confirmation Date.
As of March 31, 2017, Debtors' counsels and also counsel to the independent managers are	Administrative Claims for Professional Compensation and Reimbursement ²	Each Person seeking an award by the Bankruptcy Court of Professional Fees shall file its final application for approval of its Professional Fees no later than the Administrative Bar Date. Each Holder of an Allowed Claim for Professional Fees shall receive from the Disbursing Agent, in full satisfaction of such Allowed Claim, Cash in the amount of

¹ Amounts set forth in this chart are not and should not be deemed admissions by the Debtors as to validity or amount of any scheduled or filed claim. Debtors reserve all rights to object to any scheduled or filed claim in the Debtors' cases. Debtors will review all claims and determine whether any objections should be filed.

² Any agreement with respect to the waiver and/or modification of fees will be disclosed to the Court and the Office of the United States Trustee.

Class and Estimated Amount ¹	Type of Claim or Equity Interest	Summary of Treatment
owed approximately \$250,000.00 in fees and expenses Broker commission: Unknown		such Allowed Claim within three days of the entry of a Final Order Allowing such Claim.
\$ 0	Priority Tax Claims	In full satisfaction, release and discharge of Priority Tax Claims, and except as may be otherwise mutually agreed in writing between the Debtors and such Governmental Units, all allowed Priority Tax Claims shall be paid by the Post-Effective Date Debtors in Cash in full, together with interest within 30 days of the Closing Date.
Class 2 Scheduled as a disputed claim in the amount of \$42,500,000.00, RWN filed a proof of claim for \$48,040,822.06 on 3/28/17, which claim is continuing to accrue interest and fees.	RWN Ladera Secured Claim	(Impaired). Upon a sale of the Property, subject to the provisions of Article 7 of the Plan with respect to Disputed Claims, on account of the Allowed RWN Ladera Secured Claim, (which amount shall be agreed to by RWN and the Debtors or otherwise determined by the Bankruptcy Court) after payment of any priming Other Secured Claims, RWN shall receive cash in the full amount of its Allowed Claim from the Sale Proceeds on the Closing Date. Any amount of the RWN Ladera Secured Claim that is a Disputed Claim, together with applicable rate of interest and other obligations payable to RWN under its loan documents, including, without limitation, costs and expenses, shall be fully reserved in Cash from the Sale Proceeds in the Disputed Claim Reserve and, to the extent such Disputed Claim shall be deemed an Allowed Secured Claim by a Final Order of the Bankruptcy Court, shall be paid to RWN within five (5) days of entry of such Final Order. ³
Class 3 \$100,000.00	Other Secured Claims	(Unimpaired). In full satisfaction, release and discharge of each Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive at the Closing Date, or as soon as practicable after each such Other Secured Claim becomes an Allowed Claim, (i) Cash, in the full amount of its Claim from the Sale Proceeds on the Closing Date, or (ii) such other treatment as to which the Debtors and each Holder of such Other Secured Claim shall have agreed upon in writing.
Class 4 Scheduled in the aggregate amount of \$3,300,000.00.	Ladera Unsecured Claims	(Impaired). Subject to the provisions of Article 7 of the Plan with respect to Disputed Claims, in full satisfaction, settlement, release and discharge of the Class 4 Ladera Unsecured Claims, the Holders of the Class 4 Ladera

³ Nothing contained herein shall affect the rights of RWN as to any non-debtor obligations or non-debtor collateral.

Class and Estimated Amount ¹	Type of Claim or Equity Interest	Summary of Treatment
Proofs of Claim for an additional \$6,100,000.00 were filed ⁴ .		Unsecured Claims against Ladera shall receive, within 30 days of the Closing Date, their Pro Rata Share of Available Cash when and as such distributions are made, after payment in full to all senior Creditors' Claims. If Sale Proceeds are sufficient, Allowed Unsecured Creditors shall receive interest at the federal judgment rate.
Class 5	Ladera Interests	(Impaired). After all payments are made under the Plan, any excess Cash shall be distributed to the Holders of Interests in Ladera, whom shall contribute the remaining Sale Proceeds after the payment is made in full (or appropriate amounts are reserved to pay in full) to Administrative Claims, including Allowed Professional Fees, and Tax Claims, broker fees, United States Trustee fees, Priority Tax Claims, Priority Non-Tax Claims and Other Ladera Secured Claims, the Allowed RWN Ladera Secured Claim and Allowed Ladera Unsecured Claims (including Classes 1 through 4), towards the funding of payments to be made to classes 6, 7 and 8.
Class 6 Scheduled as a disputed claim in the amount of \$42,500,000.00 RWN filed a proof of claim for \$48,040,822.06 on 3/28/17, which claim is continuing to accrue interest and fees.	RWN L.P. Secured Claim	(Impaired) Subject to the terms of section 4.2, RWN shall have been paid in full on account of the RWN L.P. Secured Claim on the Closing Date.
Class 7 Scheduled in the amount of \$25,000.00. Proofs of Claim for \$16,100,000 were filed ⁵	L.P. Unsecured Claims	(Impaired). Subject to the provisions of Article 7 of the Plan with respect to Disputed Claims, in full satisfaction, settlement, release and discharge of the Class 7 L.P. Unsecured Claims, the Holders of the Class 7 L.P. Unsecured Claims against Ladera shall receive, within 30 days of the Closing Date, Cash equal to their Pro Rata Share of the Available Cash when and as such distributions are made after payment in full to all senior Creditors' Claims. If Sale Proceeds are sufficient, Allowed Unsecured Creditors shall receive interest at the federal judgment rate.

⁴ Debtors dispute certain of the additional unsecured creditors' claims filed, and are filing a motion objecting to same. Additionally, certain claims were only filed in the main case number, 16-13382, but are being asserted against both Debtors.

⁵ Debtors dispute certain of the additional unsecured creditors' claims filed, and are filing a motion objecting to same.

Class and Estimated Amount ¹	Type of Claim or Equity Interest	Summary of Treatment
Class 8	L.P. Interests	(Impaired). After payment is made in full (or appropriate amounts reserved for payment in full), an account of all Allowed Claims in the Unclassified Claims and to Claims in Classes 1,2, 3, 4, 5, 6 and 7, and appropriate amounts reserved for Disputed Claims as set forth in Section 7.7 of this Plan, in full satisfaction, release and discharge of and in exchange for its interest in the L.P. Debtor, the remaining balance of the sale proceeds, if any, shall be distributed to the Interests in L.P.

CONFIRMATION OF THE PLAN

Pursuant to section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing to consider Confirmation of the Plan, on _____, **2017 at 10:00 a.m.**, Eastern Standard Time, in the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, 1 Bowling Green, New York, New York 10004. Objections, if any, to Confirmation of the Plan shall be filed and served on or before _____, **2017**.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the requirements of section 1129(a) of the Bankruptcy Code have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Plan. The Debtors intend to seek Confirmation of the Plan at the Confirmation Hearing. In the event that any impaired Class of Claims does not accept the Plan, the Debtors may seek a “cram down” Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code. **The Debtors believe that the Plan satisfies all applicable requirements of section 1129(a) and section 1129(b) of the Bankruptcy Code.** See “ACCEPTANCE AND CONFIRMATION -- Requirements for Confirmation” for a description of such requirements.

In accordance with Section 1126(c) of the Bankruptcy Code and except as provided in Section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted this Plan if this Plan is accepted by the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Claims of such Class that have timely and properly voted to accept or reject this Plan.

Allowed Claims in Classes 1 and 3 are unimpaired and not entitled to vote.

Allowed Claims in Classes 2, 4, 6 and 7 are impaired and are entitled to vote to accept or reject the Plan.

Allowed Interests in Classes 5 and 8 are impaired and shall be deemed to reject the Plan under Section 1126(g) of the Bankruptcy Code. Accordingly, votes of interest holders will not be solicited.

If all Classes have either accepted the Plan, been deemed to have accepted the Plan or are not entitled to vote, the Debtors shall request the Bankruptcy Court to confirm the Plan under Section 1129(a) of the Bankruptcy Code. If any Impaired Class fails to accept this Plan by the requisite statutory majorities, the Debtors reserve the right (i) to confirm this Plan by a “cram-down” of such non-accepting Class pursuant to Section 1129(b) of the Bankruptcy Code and (ii) to propose any modifications to this Plan and to confirm this Plan as modified, without re-solicitation, to the extent permitted by the Bankruptcy Code.

With the entry of the Confirmation Order, pursuant to section 1141(d) of the Bankruptcy Code, except as otherwise provided in the Plan, the distributions provided for in the Plan will be in exchange for and in complete satisfaction, discharge and release of all Claims against the Debtors or any of their assets or properties, including but not limited to the Property, including any Claim accruing after the Petition Date and before the Confirmation Date. As of the Effective Date, all holders of Claims shall be precluded from asserting any Claim against the Debtors, their assets or properties or other interests in the Debtor, or the Property based on any transaction or other activity of any kind that occurred before the Confirmation Date except as otherwise provided in the Plan. Confirmation makes the Plan binding upon the Debtors, all Creditors and other parties regardless of whether they have accepted the Plan.

VOTING INSTRUCTIONS — SUMMARY

The following discussion summarizes more detailed voting instructions set forth in the section of this Disclosure Statement entitled “VOTING INSTRUCTIONS.” If you have any questions regarding the timing or manner of casting your ballot, please refer to the “VOTING INSTRUCTIONS” section of this Disclosure Statement and the instructions contained on the ballot that you received with this Disclosure Statement.

General. The Debtors have sent to all of their known Creditors who are in Classes impaired under the Plan a ballot with voting instructions and a copy of this Disclosure Statement and related documents. Creditors may refer to the above chart to determine whether they are impaired and entitled to vote on the Plan. Creditors should read the ballot carefully and follow the voting instructions. Creditors should only use the official ballot that accompanies this Disclosure Statement.

The Plan can be confirmed by the Bankruptcy Court and thereby made binding on you if it is accepted by (a) the Holders of two-thirds in amount and more than one-half in number of claims in each class who actually vote on the Plan and (b) the Holders of at least two-thirds in amount of the allowed interests of such class. In the event the requisite acceptances are not obtained, the Bankruptcy Court may nevertheless confirm the Plan if (i) the Bankruptcy Court finds that the Plan accords fair and equitable treatment, and does not discriminate unfairly, with respect to the class rejecting it and (ii) at least one impaired class of creditors excluding insiders has accepted the Plan. See “REQUIREMENTS FOR CONFIRMATION” and “EFFECT OF CONFIRMATION.”

As the preceding paragraph makes evident, a successful reorganization depends upon the receipt of a sufficient number of votes in support of the Plan. YOUR VOTE IS THEREFORE EXTREMELY IMPORTANT. Creditors should exercise their right to vote to accept or reject the Plan.

NOTICE TO HOLDERS OF CLAIMS AND INTERESTS

This Disclosure Statement is being furnished by the Debtors to the Debtors’ known Creditors pursuant to section 1125(b) of the Bankruptcy Code in connection with a solicitation of acceptances of a plan of reorganization by the Debtors. The Plan is filed with the Bankruptcy Court and is incorporated herein by reference. Parties in interest may view the Plan on the Internet at <http://www.nysb.uscourts.gov>.⁶

The purpose of this Disclosure Statement is to enable you, as a Creditor whose Claim is in a Class impaired under the Plan, to make an informed decision in exercising your right to accept or reject the Plan.

THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT INFORMATION THAT MAY BEAR UPON YOUR DECISION TO OBJECT TO CONFIRMATION OF THE PLAN PROPOSED BY THE DEBTORS. PLEASE READ THIS DOCUMENT WITH CARE.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED BY THE DEBTORS. THE STATEMENTS AND OPINIONS SET FORTH HEREIN ARE THOSE OF THE DEBTORS, AND NO OTHER PARTY HAS ANY RESPONSIBILITY WITH RESPECT THERETO.

⁶ A password is necessary for access to view documents on the Internet.

THE PLAN HAS NOT BEEN APPROVED OR DISAPPROVED BY ANY BANKRUPTCY COURT, THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF THE PLAN OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

The historical information concerning the Debtors has been prepared using the Debtors' books and records and certain filings made with the Bankruptcy Court. The estimates of Claims set forth herein may vary from the final amounts of Claims allowed by the Bankruptcy Court. While every effort has been made to ensure the accuracy of all such information, except as noted in the Disclosure Statement, the information presented herein is unaudited and has not been examined, reviewed or compiled by the Debtors' independent public accountants.

This Disclosure Statement contains a summary of certain provisions of the Plan and the transactions contemplated thereunder, and may contain descriptions of certain other related documents, if any. While the Debtors believe that these summaries are fair and accurate, such summaries are qualified to the extent that they do not set forth the entire text of such documents. Reference is made to the Plan and the documents referred to herein and therein, if any, for a complete statement of the terms and provisions thereof. In the event of any inconsistency between the terms of the Plan and this Disclosure Statement, the terms of the Plan shall be controlling. In reviewing the Plan and this Disclosure Statement, the reader should give special attention to "RISK FACTORS." No statements or information concerning the Debtors, the Assets, or their other assets, results of business operations or financial condition are authorized by the Debtors other than as set forth in this Disclosure Statement and the exhibits hereto (including the Plan).

Notwithstanding any provision of the Plan to the contrary, definitions and descriptions contained herein respecting pre-Petition Date documents, agreements, or claims are provided solely for the purpose of identification and classification thereof and do not constitute an admission by the Debtors of the existence, validity, allowance, or amount of any such claim, document or agreement. The Debtors expressly reserve the right to challenge the existence, validity, allowance, or amount of any such claim, document or agreement.

This Disclosure Statement is intended for the sole use of Holders of Claims and Interests to make an informed decision about the Plan. Each holder of a Claim and Interest should review this Disclosure Statement, the Plan and all exhibits hereto. Holders of Claims and Interest are urged to consult with their own legal and financial advisors.

No solicitation of votes to accept or reject the Plan may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. No person has been authorized to use or promulgate any information concerning the Debtors or their business or the Plan, other than the information contained in this Disclosure Statement and the exhibits hereto. You should not rely on any information relating to the Debtors or their business or the Plan other than that contained in this Disclosure Statement and the exhibits hereto.

RECOMMENDATION

In the Debtors' opinion, the treatment of Creditors under the Plan provides a greater recovery than is likely to be achieved under any other alternatives, including liquidation under Chapter 7. See "ALTERNATIVES TO THE PLAN." In particular, the Debtors believe that in a Chapter 7 liquidation, administrative costs will be greater, and only to the extent the Assets are sold for a purchase price far in excess of the Allowed RWN Secured Claim, would Unsecured Creditors have any possibility of receiving a distribution on account of their Claims. Further, the Debtors believe that the value of any distribution in a chapter 7 liquidation case will be discounted by the litigation and delays which will precede any such distribution.

**THE DEBTORS BELIEVE THAT CONFIRMATION OF THE PLAN IS
IN THE BEST INTERESTS OF CREDITORS AND THE ESTATES.**

EVENTS LEADING TO CHAPTER 11

As was previously described herein, Debtors entered into a secured loan transactions with RWN in 2015. That transaction, however, was not repaid in accordance with its terms and accordingly, went into default.

The loans were scheduled to mature on March 1, 2016, but were extended to June 1, 2016. After the three-month extension, Debtor failed to repay the loans and on June 2, 2016, entered into a forbearance agreement. On September 2, 2016, RWN sent Debtors notice of the end of the forbearance period and demanded payment. On or about October 7, 2016, RWN began marketing a UCC foreclosure sale in connection with the purported RWN Security Documents and loan defaults. The first sale was adjourned briefly. The parties however, did not agree to further adjourn the UCC foreclosure sale scheduled for December 5, 2016, precipitating the Debtors' bankruptcy case filings.

Post-petition, RWN commenced an action in the Supreme Court of the State of New York against Hans Futterman, seeking to enforce his guaranty of the RWN Note.

RWN has not commenced a mortgage foreclosure proceeding in connection with the Debtors' real property.

On December 4, 2016, the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code to stay the UCC foreclosure sale and protect their assets, including the Assets, and preserve the value for their respective estates and creditors.

SIGNIFICANT EVENTS IN THE CHAPTER 11 CASE

On December 4, 2016 the (the "Petition Date"), the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York. The purpose of the filing was to stay the foreclosure proceeding and seek to preserve the value of the assets of the Estates for all creditors. The following discussion is intended to highlight some of the more significant events which have occurred during the pendency of the Debtors cases.

RWN'S MOTION FOR A RULE 2004

On December 15, 2016, RWN filed a motion for a Rule 2004 examination and document production. Debtors did not file written opposition, but appeared at a subsequent hearing, after which, the Court fashioned modified relief. An Order was entered on January 13, 2017 approving same.

RETENTION OF PROFESSIONALS

Section 327(a) of the Bankruptcy Code provides that a debtor, with the court's approval, may employ one or more accountants or other professional persons that do not hold or represent an interest adverse to the estate and that are disinterested persons to represent or assist the debtor in carrying out its duties under the Bankruptcy Code. 11 U.S.C. § 327(a).

On February 8, 2017, the Debtors sought authority from this Court to retain the law firm of Robinson Brog Leinwand Greene Genovese & Gluck P.C., as their counsel. The application was granted pursuant to an order entered on February 10, 2017. On February 10, 2017, Debtor sought authority from this Court to retain the law firm of Phillips Nizer LLP as its special real estate counsel. The application was granted pursuant to an order entered on February 23, 2017.

On February 14, 2017, and as amended on March 2, 2017, Debtors sought authority pursuant to 11 U.S.C. §363 to retain and pay for counsel to the independent managers. The application was granted pursuant to an order entered on March 2, 2017.

On April 14, 2017, the Debtors sought authority to retain Cushman & Wakefield as their real estate broker to market and sell the Assets. That application is still pending.

BAR DATE

In accordance with the requirements of section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, the Debtor has filed its Schedules of assets and liabilities, including schedules of all of its known creditors and the amounts and priorities of the Claims the Debtors believe are owed to such creditors. Pursuant to section 501 of the Bankruptcy Code, any creditor may file a Proof of Claim and, unless disputed, such filed Proof of Claim supersedes the amount and priority set forth in the Debtors' schedules. On February 21, 2017, the Court entered an order which established March 29, 2017 as the deadline for the filing of claims.

There can be no assurance that the Allowed Claims as determined by the Bankruptcy Court will be in the amounts and priorities stated in the Schedules filed by the Debtors or the Proofs of Claim filed by the Creditors.

OPERATING REPORTS

Pursuant to the requirements of the Office of the United States Trustee for the Southern District of New York, the Debtors are required to file monthly reports which they will undertake to file in a timely manner. The Debtors have not filed reports as of yet, but since the Debtors are not operating entities, but rather the owners of a development project, they have no income and no ordinary post-petition expenses.

SUMMARY OF THE PLAN

The following summary of the terms of the Plan is qualified in its entirety by reference to the provisions of the Plan, a copy of which is filed with the Clerk of the Bankruptcy Court and which is incorporated herein by reference.

CLASSIFICATION OF CLAIMS AND INTERESTS

Classification of claims is governed, in part, by sections 1122 and 1123(a) of the Bankruptcy Code. Section 1123(a) requires that a plan designate classes of claims, requires that the plan specify the treatment of any impaired class of claims, and requires that the plan provide the same treatment for each claim of a particular class, unless the holder of a claim receiving less favorable treatment consents to such treatment. 11 U.S.C. §1123(a)(1), (3) and (4). Section 1122(a) of the Bankruptcy Code provides, subject to an exception for administrative convenience, that "a plan may place a claim or interest in a particular class

only if such claim or interest is substantially similar to the other claims or interests of such class.”

Article 3 of the Plan classifies the various Claims against and Interests in the Debtor into six (6) classes of Claims and two (2) classes of Interests:

- Class 1 – Priority Non-Tax Claims
- Class 2 – RWN Ladera Secured Claim
- Class 3 – Other Secured Claims
- Class 4 – Ladera Unsecured Claims
- Class 5 – Ladera Interests
- Class 6 – RWN L.P. Secured Claim
- Class 7 – L.P. Unsecured Claims
- Class 8 – L.P. Interest

As set forth in Article 2 of the Plan, pursuant to section 1123(a)(1) of the Bankruptcy Code, certain Administrative Claims against the Debtors have not been classified. See “SUMMARY OF THE PLAN -- Treatment of Non-Classified Claims.

TREATMENT OF CLAIMS CLASSIFIED UNDER THE PLAN

Article 4 of the Plan provide for the treatment of Claims classified in Article 3 of the Plan as follows:

Class 1 – Priority Non-Tax Claims (Unimpaired) In full satisfaction, release and discharge of the Priority Non-Tax Claims, each Holder of a Priority Non-Tax Claim shall receive, within 30 days of the Closing Date, whichever is sooner, or as soon as practicable after each such Claim becomes an Allowed Claim, payment from the Disbursing Agent, (i) in Cash in the full amount of its Priority Non-Tax Claim, within 30 days of the Closing Date, or (ii) as may be otherwise agreed in writing between the Debtors and the Holder of such Priority Non-Tax Claim.

Class 2 – RWN Ladera Secured (Impaired) Upon a sale of the Property, subject to the provisions of Article 7 of the Plan with respect to Disputed Claims, on account of the Allowed RWN Ladera Secured Claim, (which amount shall be agreed to by RWN and the Debtors or otherwise determined by the Bankruptcy Court) after payment of any priming Other Secured Claims, RWN shall receive cash in the full amount of its Allowed Claim from the Sale Proceeds on the Closing Date. Any amount of the RWN Ladera Secured Claim that is a Disputed Claim, together with applicable rate of interest and other obligations payable to RWN under its loan documents, including, without limitation, costs and expenses, shall be

fully reserved in Cash from the Sale Proceeds in the Disputed Claim Reserve and, to the extent such Disputed Claim shall be deemed an Allowed Secured Claim by a Final Order of the Bankruptcy Court, shall be paid to RWN within five (5) days of entry of such Final Order.⁷

Class 3 – Other Secured Claims (Unimpaired) In full satisfaction, release and discharge of each Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive at the Closing Date, or as soon as practicable after each such Other Secured Claim becomes an Allowed Claim, (i) Cash, in the full amount of its Claim from the Sale Proceeds on the Closing Date, or (ii) such other treatment as to which the Debtors and each Holder of such Other Secured Claim shall have agreed upon in writing.

Class 4 – Ladera Unsecured Claims. Subject to the provisions of Article 7 of the Plan with respect to Disputed Claims, in full satisfaction, settlement, release and discharge of the Class 4 Ladera Unsecured Claims, the Holders of the Class 4 Ladera Unsecured Claims against Ladera shall receive, within 30 days of the Closing Date, their Pro Rata Share of Available Cash when and as such distributions are made, after payment in full to all senior Creditors' Claims. If Sale Proceeds are sufficient, Allowed Unsecured Creditors shall receive interest at the federal judgment rate.

Class 5 – Ladera Interests (Impaired) After all payments are made under the Plan, any excess Cash shall be distributed to the Holders of Interests in Ladera, who shall contribute the remaining Sale Proceeds after the payment is made in full (or appropriate amounts are reserved to pay in full) to Administrative Claims, including Allowed Professional Fees, and Tax Claims, broker fees, United States Trustee fees, Priority Tax Claims, Priority Non-Tax Claims and Other Ladera Secured Claims, the Allowed RWN Ladera Secured Claim and Allowed Ladera Unsecured Claims (including Classes 1 through 4), towards the funding of payments to be made to classes 6, 7 and 8.

Class 6 – RWN L.P. Secured (Impaired) Subject to the terms of section 4.2, RWN shall have been paid in full on account of the RWN L.P. Secured Claim on the Closing Date.

Class 7 – L. P. Unsecured Claims. (Impaired) Subject to the provisions of Article 7 of the Plan with respect to Disputed Claims, in full satisfaction, settlement, release and discharge of the Class 7 L.P. Unsecured Claims, the Holders of the Class 7 L.P. Unsecured Claims against Ladera shall receive, within 30 days of the Closing Date, Cash equal to their Pro Rata Share of the Available Cash when and as such distributions are made after payment in full to all senior Creditors' Claims. If Sale Proceeds are sufficient, Allowed Unsecured Creditors shall receive interest at the federal judgment rate.

⁷ Nothing contained herein shall affect the rights of RWN as to any non-debtor obligations or non-debtor collateral.

Class 8 – L.P. Interests (Impaired) After payment is made in full (or appropriate amounts reserved for payment in full), an account of all Allowed Claims in the Unclassified Claims and to Claims in Classes 1,2, 3, 4, 5, 6 and 7, and appropriate amounts reserved for Disputed Claims as set forth in Section 7.7 of this Plan, in full satisfaction, release and discharge of and in exchange for its interest in the L.P. Debtor, the remaining balance of the sale proceeds, if any, shall be distributed to the Interests in L.P.

TREATMENT OF NON-CLASSIFIED CLAIMS

Pursuant to section 1123(a)(1) of the Bankruptcy Code, the Plan does not classify Administrative Claims entitled to priority treatment under section 507(a)(1) of the Bankruptcy Code or Claims of Governmental Units entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code. Article 2 of the Plan provides for the manner of treatment of such non-classified Claims.

Administrative Claims. Administrative Claims are the costs and expenses of administration of this Case, allowable under section 503(b) of the Bankruptcy Code, other than Bankruptcy Fees. Administrative Claims include Claims for the provision of goods and services to the Debtors after the Petition Date, the liabilities incurred in the ordinary course of the Debtors' business (other than claims of governmental units for taxes or interest or penalties related to such taxes) after the Petition Date, Claims of professionals, such as attorneys, appraisers, and accountants, retained pursuant to an order of the Bankruptcy Court, for compensation and reimbursement of expenses under section 330 of the Bankruptcy Code, and tax claims for the period from the Petition Date to the Effective Date of the Plan.

Subject to the provisions of article 7 of the Plan with respect to Disputed Claims, each Administrative Claim, to the extent not previously paid, shall be paid by the Disbursing Agent in Cash in full on (i) the later of (x) the Closing Date, (y) the date payment of such Claim is due under the terms thereof or applicable law, or (z) three business days after such Claim becomes an Allowed Administrative Claim or (ii) as may be otherwise mutually agreed in writing between the appropriate Debtors and the Holder of such Claim; *provided, however,* that any Administrative Claim incurred by the Debtors in the ordinary course of their business shall be paid in full or performed by the Post-Effective Date Debtors in accordance with the terms and conditions of the particular transaction giving rise to such Administrative Claim and any agreements relating thereto.

Article 2 of the Plan sets a final date for the filing of Administrative Claims against the Debtor. The Administrative Bar Date is the first Business Day that is 60 days after the Closing Date. In the event that the Plan is confirmed, the Debtors shall deliver a notice of such bar date to all parties-in-interest.

Professionals' Fees. Section 330 of the Bankruptcy Code sets the standard for the determination by the Bankruptcy Court of the appropriateness of fees to be awarded to Professionals retained by a debtor in a case under the Bankruptcy Code. In general, "bankruptcy legal services are entitled to command the same competency of counsel as other cases. In that light, the policy of this section is to compensate attorneys and other professionals serving in a case under title 11 at the same rate as the attorney or other professional would be compensated for performing comparable service other than in a case under title 11." 124 Cong. Rec. H11091 (Daily ed. Sept. 28, 1978).

With respect to Professionals' Fees, the Plan provides that, subject to the approval of compensation and reimbursement of expenses pursuant to sections 330 and 331 of the Bankruptcy Code, the Debtors shall pay the Administrative Claims held by Bankruptcy Professionals as follows:

Each Person seeking an award by the Bankruptcy Court of Professional Fees shall file its final application for approval of its Professional Fees no later than the Administrative Bar Date. Each Holder of an Allowed Claim for Professional Fees shall receive from the Disbursing Agent, in full satisfaction of such Allowed Claim, Cash in the amount of such Allowed Claim within three days of the entry of a Final Order Allowing such Claim.

No later than three days prior to the Confirmation Date, each Professional shall provide the Debtors with an estimate of the total amount of compensation and expenses for which such Professional expects to seek final compensation pursuant to section 330 of the Bankruptcy Code. Such estimates shall include estimated sums for the preparation and prosecution of any application for final compensation. On the Effective Date, the Disbursing Agent shall segregate sufficient cash to pay all such estimated compensation and expenses in full unless otherwise agreed to by the Debtors and such Professionals; *provided, however*, that the failure of a Professional to provide such an estimate shall relieve the Debtors of their obligation to segregate funds for the payment therefore, but shall not relieve the Debtors of the obligation with respect to any allowed compensation and expense reimbursement.

Any fee applications timely filed shall be deemed to be an Administrative Claim, subject to the entry of a Final Order by the Bankruptcy Court approving such application. Objections to any Professional's application for compensation or reimbursement must be timely filed and served upon such Professional, and upon the Debtors in accordance with the Bankruptcy Rules or as may be agreed between the Professional and the objecting party. Any such objection not timely filed and served shall be deemed to have been waived.

Administrative Tax Claims. Subject to the provisions of Article 7 of the Plan with respect to Disputed Claims, all allowed Administrative Tax Claims held by Governmental Units shall be paid, in Cash, in full either (i) on or within 30 days of the

Closing Date, or (ii) upon such other terms as may be agreed to, in writing, between the appropriate Debtor and such Governmental Units on or before the Confirmation Date.

Bankruptcy Fees. All fees and charges assessed against the Debtors under section 1930 of title 28 of the United States Code and any applicable interest thereon shall be paid by the Post-Effective Date Debtors in full, in Cash within 20 days of the Closing Date, until the Closing Conversion or dismissal of those cases, whichever is earlier.

DISPUTED CLAIMS AND INTERESTS

Except as otherwise explicitly provided in the Plan, nothing shall effect, diminish or impair the Debtors' rights and defenses, both legal and equitable, with respect to any Unimpaired Claims, including, but not limited to, legal and equitable defenses to setoffs or recoupment against Unimpaired Claims, or recharacterization of Unimpaired Claims.

Article 7 of the Plan contains a mechanism for resolving disputes concerning the amount of certain Claims or Interests asserted against the Debtors by any Entity.

Time to Object. Unless otherwise ordered by the Bankruptcy Court, objections to the allowance of any Claim may be filed no later than the later to occur of (i) 60 days after the Effective Date or (ii) 60 days after the date proof of such Claim or Interest or a request for payment of such Claim is filed. Until the earlier of (i) the filing of an objection to a Proof of Claim or (ii) the last date to file objections to Claims as established by the Plan or by Final Order, Claims shall be deemed to be Disputed in their entirety if, (i) the amount specified in a Proof of Claim exceeds the amount of any corresponding Claim listed in the Schedules; (ii) any corresponding Claim listed in the Schedules has been scheduled as disputed, contingent or unliquidated; or (iii) no corresponding Claim has been listed in the Schedules.

Debtors are filing formal objections to certain creditors' claims, and may have already done so by the filing of this document.

Debtors deem the filed claims of John O. Desmond, Chapter 7 trustee of Ameritrans, Ventures 76, LLC for itself and as Agent and USHA SOHA Terrace LLC, both individually as well as well as derivatively, to be improper claims as filed against them. Because the Debtors believe that these claims, as filed, are improper, the Debtors do not believe it should have to escrow amounts on account of these claims. However, to the extent the Court determines otherwise, Debtor submits that the claims should be estimated at no more than \$100,000.00, but probably even less.

DISTRIBUTIONS UNDER THE PLAN

Article 7 of the Plan contains provisions governing the making of distributions on account of Claims. In general, any payments, distributions or other performance to be made pursuant to the Plan on account of any Allowed Claim shall be deemed to be timely

made if made on or within five (5) days following the later of (i) the expiration of any applicable objection deadline with respect to Disputed Claims or (ii) such other times provided in the Plan. All Cash payments to be made by the Debtors pursuant to the Plan shall be made by wire transfer or check drawn on a domestic bank.

Disbursing Agent. Post-Effective Date Debtors shall be the Disbursing Agent and shall make distributions under the Plan. The Disbursing Agent may employ or contract such third parties as may be necessary to assist in or perform the distribution of the property under the Plan. Pending the final distribution of all sums distributable under the terms of the Plan (including the delivery to the Debtors of unclaimed distributions pursuant to section 7.14 of the Plan), the Disbursing Agent shall have full authority to sign checks on any bank account of the Post-Effective Date Debtors to the extent necessary to make any payment or distribution contemplated by the Plan.

Timing of Distributions Under the Plan. Subject to sections 7.6 and 7.8 of the Plan, any payments, distributions or other performance to be made pursuant to the Plan on account of any Disputed Claim, shall be deemed to be timely made if made on or within ten days following the later of (i) the expiration of any applicable objection deadline with respect to such Disputed Claim or (ii) such other times provided in the Plan.

Method of Payment. Unless otherwise expressly agreed, in writing, all Cash payments to be made pursuant to the Plan shall be made by check drawn on a domestic bank, or wire transfer, if requested.

Claims Objection Deadline. Unless otherwise ordered by the Bankruptcy Court, the Debtors may file and serve any objection to any Claim at any time, but in no event after the later to occur of (i) 60 days after the Effective Date, or (ii) 60 days after the date proof of such Claim or a request for payment of such Claim is filed.

Prosecution of Objections. After the Confirmation Date, only the Post-Effective Date Debtors shall have authority to file, settle, compromise, withdraw or litigate to judgment objections to Disputed Claims. The Post-Effective Date Debtors may compromise any objections to Disputed Claims without further order of the Court.

No Distribution Pending Allowance. Notwithstanding any other provision of the Plan, no payment or distribution of any kind shall be made with respect to any portion of a Disputed Claim unless and until all objections to such Claim are resolved by Final Order.

Escrow of Cash Distributions. (a) On any date that distributions are to be made under the terms of the Plan, the Post-Effective Date Debtors shall make available any and all funds required to be disbursed on that date, and the Disbursing Agent shall deposit in one or more segregated accounts, Cash or property equal to 100% of the Cash that would be

distributed on such date on account of Disputed Claims as if each such Disputed Claim were an Allowed Claim but for the pendency of a dispute with respect thereto, including, but not limited to (i) Disputed Claims that may be entitled to treatment as Administrative Claims or as Priority Non-Tax Claims pursuant to sections 503 and 507 of the Bankruptcy Code, (ii) claims of Governmental Units for any tax, (iii) any disputed Cure Amount, and (iv) any amount due but not payable on the Effective Date on account of Administrative Claims or claims entitled to priority pursuant to section 503 and 507 of the Bankruptcy Code. The Disbursing Agent shall also segregate any interest, dividends or other proceeds of such Cash. Such Cash together with any interest, dividends or proceeds thereof, shall be held in trust for the benefit of the Holders of all such Disputed Claims pending determination of their entitlement thereto.

(b) Except with respect to the claims of RWN, the Post-Effective Date Debtors shall have the right to seek an Order of the Bankruptcy Court, after notice and hearing, estimating or limiting the amount of Cash that must be so deposited on account of any Disputed Claim. Any Creditor whose Claim is so estimated shall have no recourse to any assets theretofore distributed on account of any Allowed Claim if the Allowed Claim of that Creditor as determined by Final Order exceeds the amount so deposited. Such Creditor shall have recourse first, to the undistributed assets in the Disputed Claims Reserve (on a Pro Rata basis with other Creditors of the same Class who are similarly situated) that exceed the aggregate amount of all Disputed Claims allowed by Final Order, or not yet resolved, and second any unpaid amount shall be an obligation of the Debtors.

Distribution After Allowance. Within 5 days after the entry of a Final Order resolving an objection to a Disputed Claim, the Disbursing Agent shall distribute all Cash or other property, including any interest, dividends or proceeds thereof, to which a Holder is then entitled with respect to any formerly Disputed Claim that has become an Allowed Claim.

Investment of Segregated Cash. To the extent practicable, the Disbursing Agent may invest any Cash segregated on account of a Disputed Claim, disputed Interest, undeliverable distribution, or any proceeds thereof (i) in a manner that will yield a reasonable net return taking into account the safety of the investment or (ii) in any manner permitted by section 345 of the Bankruptcy Code; *provided, however*, that the Disbursing Agent shall be under no obligation to so invest such Cash or proceeds and shall have no liability to any party for any investment made or any omission to invest such Cash or proceeds. Segregated Cash shall be maintained in an authorized depository.

Distribution After Disallowance. Subject to section 7.7 of the Plan, the Cash segregated on account of Disputed Claims, including the allocable portion of the net return yielded from any investment thereof, if any, remaining after all Disputed Claims have been

resolved by Final Order shall revert to the Estates for distribution pursuant to the terms of this Plan. .

Surrender of Instruments; Execution of Satisfactions and Releases. (a) Except as to RWN which shall not be subject to the terms of Section 7.11 of the Plan, notwithstanding any other provision of the Plan, no Creditor that holds a note or other instrument evidencing such Creditor's Claim may receive any distribution with respect to such Claim unless and until the original note or other original instrument evidencing such Claim shall have been validly surrendered to the Disbursing Agent at the sole cost and expense of such Creditor.

(b) Any Cash or property to be distributed pursuant to the Plan on account of any such Claim shall, pending surrender, be treated as an undeliverable distribution pursuant to section 7.13 of the Plan.

(c) In the event any Creditor is unable to surrender a note or other instrument evidencing a Claim against the Debtors that has been destroyed, lost or stolen, such entity may receive a distribution with respect to such Claim by presenting to the Disbursing Agent, in a form acceptable to the Disbursing Agent: (i) proof of such entity's title to such Claim; (ii) an affidavit to the effect that the same has been lost and after diligent search cannot be located; and (iii) such indemnification as may be required by the Disbursing Agent and all other entities deemed appropriate by the Disbursing Agent from any loss, action, suit or any claim whatsoever which may be made as a result of such entity's receipt of a distribution under the Plan.

(d) All questions as to the validity, form or eligibility of any note or other instrument evidencing a Claim so surrendered shall be resolved by Final Order of the Bankruptcy Court. The Disbursing Agent shall not be under any duty to give notification of defects in such tender and shall not incur liability for failure to give notification of such defects.

Delivery of Distributions. Except as provided in sections 7.13, 7.14 and 7.15 of the Plan, distributions to Holders of Allowed Claims shall be made: (1) at the addresses set forth on the respective Proofs of Claim filed by such Holders; (2) at the addresses set forth in any written notices of address changes delivered to the Disbursing Agent after the date of any related Proof of Claim; or (3) at the address reflected in the Schedules if no Proof of Claim is filed and the Disbursing Agent has not received a written notice of a change of address.

Undeliverable Distributions. (a) If the distribution to the Holder of any Claim is returned to the Disbursing Agent as undeliverable, no further distribution shall be made to such Holder unless and until the Disbursing Agent is notified in writing of such

Holder's then current address. Undeliverable distributions shall remain in the possession of the Disbursing Agent until the earlier of (i) such time as a distribution becomes deliverable or (ii) such undeliverable distribution becomes an unclaimed distribution pursuant to section 7.14 of the Plan.

(b) Until such time as an undeliverable distribution becomes an unclaimed distribution pursuant to section 7.14 of the Plan, within 30 days after the end of each calendar quarter following the Closing Date, the Disbursing Agent shall make distributions of all Cash and other property that has become deliverable during the preceding quarter. Each such distribution shall include the net return yielded from the investment of any undeliverable Cash, from the date such distribution would have been due had it then been deliverable to the date that such distribution becomes deliverable.

(c) Nothing contained in the Plan shall require the Post-Effective Date Debtors to attempt to locate any Holder of an Allowed Claim.

Unclaimed Distributions. Any Cash or other assets to be distributed under the Plan shall revert to the Debtors, if it is not claimed by the entity entitled thereto before the later of (i) one year after the Effective Date; (ii) one year after such scheduled payment to such entity under Article 4 of the Plan; or (iii) one year after an Order allowing the Claim of that entity becomes a Final Order, and such entity's claim shall be reduced to zero.

Set-offs. The Post-Effective Date Debtors and/or Disbursing Agent, may, but shall not be required to, set-off against the distributions to be made pursuant to the Plan, the claims, obligations, rights, causes of action and liabilities of any nature that the Post-Effective Date Debtors may hold against the Holder of an Allowed Claim, *provided, however,* that neither the failure to effect such a set-off nor the allowance of any claim hereunder shall constitute a waiver or release by the Post-Effective Date Debtors of any such claims, obligations, rights, causes of action and liabilities that the Debtors (or the Post-Effective Date Debtors) has or may have against such Holder. To the extent the Post-Effective Date Debtors elect to effectuate a set-off, they shall notify the Holder of the Allowed Claim in writing at least ten (10) days prior to effectuating the set-off. To the extent the Holder of an Allowed Claim objects to the set-off, a written objection shall be provided to the Post-Effective Date Debtors, as Disbursing Agent, no later than three (3) days prior to the set-off date or the objection shall be waived. This section 7.15 shall not apply to RWN, whose claim shall be resolved by agreement between RWN and the Debtors or order of the Bankruptcy Court.

COMPLIANCE WITH TAX REQUIREMENTS

In connection with the Plan, the Post-Effective Date Debtors and/or Disbursing Agent shall comply with all withholding and reporting requirements imposed by federal, state and local taxing authorities and distributions under the Plan shall be subject to such withholding and reporting requirements *provided, however*, that the transfer of any Cash, the Assets, estate property or other interest under the Plan shall not be subject to any federal, state or local tax to the fullest extent provided under section 1146 of the Bankruptcy Code.

EFFECTIVE DATE

The Effective Date of the Plan shall be the first business day after all the conditions to the Effective Date, specified in Section 11.1 of the Plan, have been satisfied.

CONDITIONS TO THE EFFECTIVE DATE

The Plan shall not become effective unless and until it has been confirmed and the following conditions have been satisfied or waived in full:

(a) The Confirmation Order shall have been entered in this case and no stay or injunction shall be in effect precluding the consummation of the transactions contemplated by this Plan and the Confirmation Order shall not have been modified or vacated on appeal; and

(b) The Closing Date shall have occurred.

Treatment of Executory Contracts and Unexpired Leases

Assumption and Assignments of Executory Contracts and Unexpired Leases. On the Closing Date, all Executory Contracts and Unexpired Leases, to which Debtor is a party, if any, shall be deemed rejected, including, but not limited to, that certain exclusive listing agreement between Ladera and Walker, Malloy & Company, Inc. dated September 12, 2016, which was an exclusive broker agreement in connection with the successful sale or lease of the commercial space, after development of the Property, except for those Executory Contracts and Unexpired Leases which are to be identified in the Asset Purchase Agreement to be entered into by Ladera and the Successful Purchaser, if any, which shall be deemed assumed and assigned to the Successful Purchaser in accordance with Section 365 of the Bankruptcy Code.

Assumption Cure Payments. Except as otherwise agreed to by the parties, on the Closing Date, either the Debtors or the Successful Purchaser pursuant to the Asset Purchase Agreement shall cure any and all undisputed defaults under any Executory Contract or Unexpired Lease that is assumed pursuant to the Plan in accordance with Section 365 of the Bankruptcy Code. Unless the parties to the contract or lease agree otherwise, all disputed defaults that are required to be cured shall be cured by the later to occur of (i) ten (10) days after the entry of a Final Order determining the amount, if any, of the Post-Effective Date Debtors' liability with respect thereto and (ii) the Closing Date.

Rejection Claims. Allowed Claims arising from the rejection of any Executory Contract or Unexpired Lease of the Debtors shall be treated as an Unsecured Claim.

Bar to Rejection Claims. A Proof of Claim with respect to any Unsecured Claim for damages arising from the rejection of an Executory Contract or Unexpired Leases pursuant to the Plan shall not be timely filed unless it is filed with the Bankruptcy Court and served so that it is received by the Debtors no later than 30 days after the later of (i) the date of entry of a Final Order approving such rejection (unless such Final Order expressly provides a Bar Date with respect to such Claim, in which event no Proof of Claim with respect to such Claim shall be deemed timely filed unless it is filed with the Bankruptcy Court and served in the manner provided in such Final Order), or (ii) the Closing Date. Any such Proof of Claim not timely filed and served shall be forever barred from assertion and may not be enforced against the Debtors, their successors or their respective properties.

Assumption of Indemnification/Advancement Obligations.

Notwithstanding anything to the contrary in the Plan, any and all indemnification, advancement, contribution, reimbursement or other obligations that the Debtors have to any of their officers, members, or managers pursuant to a contract, including the Service Agreement by and between Ladera Parent LLC and Corporation Service Company and the Service Agreement by and between Ladera LLC and Corporation Service Company (together, the "Service Agreements"), instrument, agreement, operating agreement, by-law, comparable organizational document or any other document, or applicable law (collectively, "**Indemnification Obligations**"), shall be deemed an executory contract that is assumed as of the Effective Date, and all Claims arising out of Indemnification Obligations shall be deemed to be, and shall be treated as though they are, executory contracts that are assumed by the Post-Effective Date Debtors pursuant to section 365 of the Bankruptcy Code.

IMPLEMENTATION OF THE PLAN

Implementation. The Debtors shall take all necessary steps, and perform all necessary acts, to consummate the terms and conditions of the Plan. The Confirmation Order

shall contain appropriate provisions, consistent with section 1142 of the Bankruptcy Code, directing the Debtors and any other necessary party to perform any act, including the satisfaction of any lien that is necessary for the consummation of the Plan. Additionally the Confirmation Order shall contain provisions approving the Agreement pursuant to Sections 363, 365, 1123(a)(5), 1123(b)(4), of the Bankruptcy Code. The Debtors' cases are not being substantively consolidated such that the priority and extent of Claims against each of the entities shall be unaffected and the distribution of sale proceeds shall be made in accordance with the priorities established by the Bankruptcy Code.

Sale of Assets. In order to fund distributions under the Plan, the Debtors shall sell the Property pursuant to the Bid Procedures Order to the Successful Purchaser pursuant to Bankruptcy Code section 363 and 1123(a)(5)(D), free and clear of any and all liens, claims, encumbrances, interests, bills or charges whatsoever, including all claims asserted by USHA SOHA Terrace LLC in *USHA Terrace LLC v. Hans Futterman* (Index No. 656196/16), pending the Supreme Court of the State of New York, County of New York (“*Lis Pendens*”), other than the usual and customary utility easements, if any, appearing as of record or as preserved under this Plan. The Auction shall take place on a date and place to be fixed by the Court in accordance with the Bid Procedures Order. The Auction may be adjourned upon the terms set forth in the Bid Procedures for up to one week, upon consent of RWN, which consent shall not be unreasonably withheld. RWN shall be entitled to submit a Credit Bid in the auction that may include a bid of up to the full amount of Allowed RWN Secured Claim plus a cash component (if any) as and to the extent determined by RWN in its sole discretion. RWN shall be deemed a Qualified Bidder at the Auction. At the conclusion of the Auction, and in accordance with the Bid Procedures, the Debtors shall select, upon consultation with RWN, the highest and best bid.

In either case, the *Lis Pendens* shall be deemed cancelled as of record upon entry of the Confirmation Order. Debtors' anticipate that the Confirmation Order shall provide for such provision.

The Debtors reserve the right to modify the Plan and pursue a private sale with consent of RWN or approval of the Bankruptcy Court, so long as the distributions contemplated under the Plan are unchanged.

Vesting of Assets. Except as otherwise provided in the Plan, on the Closing Date, the Property shall vest in the Successful Purchaser free and clear of all Liens, Claims and encumbrances and any and all Liens, Claims and encumbrances and any other Liens, Claims and encumbrances that have not been expressly preserved under the Plan shall attach to the Sales Proceeds as of such date.

Execution of Documents. (a) On the Effective Date, the Post-Effective Date Debtors, and any necessary party thereto, shall execute, release and deliver all documents reasonably necessary to consummate the transactions contemplated by the terms and

conditions of the Plan. The Plan Confirmation Order and any sale order will provide for the sale of the Property to be free and clear of any and all liens claims and encumbrances on the Property including, but not limited to, the Lis Pendens.

(b) Pursuant to sections 105, 1141(c) and 1142(b) of the Bankruptcy Code, the Debtors shall be authorized to execute, in the name of any necessary party any estoppel certificate, or any notice of satisfaction, release or discharge of any Lien, Claim or encumbrance, (including, any Lien, Claim or encumbrance, and the Lis Pendens that is to be released and satisfied upon the Debtors' compliance with the provisions of article 4 of the Plan) not expressly preserved in the Plan and deliver such notices to any and all federal, state and local governmental agencies or departments for filing and recordation.

Filing of Documents. Pursuant to sections 105, 1141(c) and 1142(b) of the Bankruptcy Code, each and every federal, state and local governmental agency or department, shall be directed to accept and record any and all documents and instruments necessary, useful or appropriate to effectuate, implement and consummate the transactions contemplated by the Plan, and any and all notices of satisfaction, release or discharge or assignment of any Lien, Claim or encumbrance not expressly preserved by the Plan.

Distributions. Except as set forth elsewhere in the Plan, all payments required to be made under the Plan shall be made by the Disbursing Agent for disbursement in accordance with the terms of the Plan.

Preservation of Rights of Action. Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement entered into in connection with the Plan, the Post-Effective Date Debtors shall retain, and in accordance with its determination of the best interest of their estates, may enforce any claims, rights and causes of action (i) arising under sections 510 and 544 through 550 of the Bankruptcy Code or (ii) belonging to the Debtors as of the Petition Date, or the Debtors' Estates, and arising under any provision of state or federal law, or any theory of statutory or common law or equity.

Depending upon the results of the Auction, the Debtors believe that the Plan will result in a substantial distribution, and potentially a 100% distribution to Allowed Claims. As such, the Debtors do not presently anticipate pursuing any claims, rights and causes of action (i) arising under sections 510 and 544 through 550 of the Bankruptcy Code or (ii) belonging to the Debtors as of the Petition Date, or the Debtors' Estates, and arising under any provision of state or federal law, or any theory of statutory or common law or equity⁸.

⁸ While reserving rights to pursue all such causes of action, Debtors have made a determination not to pursue such causes of action at this juncture based upon inability to collect on any potential recovery.

Notwithstanding any provision of the Plan to the contrary, definitions and descriptions contained herein respecting pre-Petition Date documents, agreements or claims are provided solely for the purpose of identification and classification thereof and do not constitute an admission by the Debtors of the existence, validity, allowance, or amount of any such claim, document or agreement. The Debtors and the Post-Effective Date Debtors expressly reserve the right to challenge the existence, validity, allowance, or amount of any such claim, document or agreement.

Transfer Taxes. Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of any security and the making or delivery of any instrument of transfer in connection with or in furtherance of the Plan, (including any instrument executed in furtherance of the transactions contemplated by the Plan), shall not be subject to tax under any law imposing a stamp tax, real estate Transfer Tax or similar tax, including any such taxes due on the refinancing or sale of the Properties as contemplated by the Plan, and to the extent provided by 1146(a), if any, shall not be subject to any state, local or federal law imposing such tax.

Post-Effective Date Debtors/Post-Confirmation. If creditors are paid in full, the Interest Holders of the Debtors have agreed that the Post-Effective Date Debtors will continue to be managed by Hans Futterman. The Debtors will continue in existence post-confirmation as the Post-Effective Date Debtors, provided, however, at their election, they shall take such steps as are necessary to dissolve their existence in accordance with applicable non-bankruptcy law. Without further action required by the Debtors, upon the closing of the sale of the Property, the Debtors' operating agreements shall be deemed to be amended to remove any requirement that the Debtors have an independent manager.

After entry of the Confirmation Order, all references in the Plan and Disclosure Statement to the "Debtor" or "Debtors" shall be either to the Post-Effective Date Debtors.

MISCELLANEOUS PROVISIONS

MODIFICATION AND REVOCATION OF THE PLAN

The Plan may be altered, amended or modified by the Debtors, at any time before the substantial consummation of the Plan, as provided in sections 1101(a) and 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 with the consent of RWN. Section 1127 of the Bankruptcy Code authorizes the proponent of a plan of reorganization to modify such plan at any time prior to confirmation of the plan so long as the plan, as modified, continues to meet certain technical requirements of sections 1122 and 1123 of the Bankruptcy Code with respect to the classification of Claims and Interests and the contents of a plan. Prior to Confirmation, if a proponent files modifications to a plan, pursuant to section 1127(a) "the plan as modified becomes the plan." No order of the Court is required to modify the Plan

under the terms of section 1127(a); however, the proponent of a modification to a plan must comply with section 1125 of the Bankruptcy Code with respect to the plan as modified. In other words, if a modification materially alters the treatment of any Creditor who has accepted the Plan, the Debtors will be required to make additional disclosures to those Creditors whose treatment has been materially and adversely altered and give such Creditors an opportunity to change their votes.

The Debtors may revoke or withdraw the Plan at any time prior to entry of the Confirmation Order, after consultation with RWN. If the Debtors revoke or withdraw the Plan, or if no Confirmation Order is entered, the Plan shall be null and void, and nothing contained in the Plan shall (i) constitute a waiver or release of any Claims by or against or any interest in, the Debtors; or (ii) prejudice in any manner the rights of the Debtors in any further proceedings involving the Debtors or any other party, or their Estates.

RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, until the Case is closed, the Bankruptcy Court shall retain and have original, but not exclusive, jurisdiction to:

i) Insure that the Plan is consummated, and to enter any Order pursuant to section 1142(b) of the Bankruptcy Code, to compel the Debtors, their Interest Holders and any other necessary party, to take such action and execute such documents to effectuate the Plan;

ii) Consider any modification of the Plan proposed pursuant to section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019;

iii) Allow, disallow, determine, liquidate, classify or establish the priority, secured or unsecured status of any Claim, including, without limitation, the resolution of any request for payment of any Administrative Expense, the resolution of any and all objections to the allowance or priority of Claims, and the resolution of any adversary proceeding;

iv) Grant or deny any and all applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan, for any period ending on or before the Closing Date;

v) Resolve any motions pending on the Effective Date to assume, assume and assign or reject any Executory Contract or Unexpired Lease to which the Debtors are a party or with respect to which the Debtors may be liable and to hear, determine and if necessary, liquidate, any and all Claims arising therefrom;

vi) Ensure that distributions to Holders of Allowed Claims are accomplished in accordance with the provisions of this Plan;

vii) Decide or otherwise resolve any and all applications, motions, adversary proceedings, contested or litigated matters, and any other matters or grant or deny any applications involving the Debtors that may be pending on the Effective Date;

viii) Enter such Orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents created in connection with the Plan or Disclosure Statement or to enforce all orders, judgments, injunctions, and rulings entered in connection with these Cases, including, but not limited to any Order necessary to enforce the provisions of article 7 of the Plan;

ix) Resolve any and all controversies, suits or issues that may arise in connection with the consummation, interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

x) Modify the Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code, or to modify the Disclosure Statement or any contract, instrument, release or other agreement or document created in connection with the Plan or Disclosure Statement;

xi) Remedy any defect or omission or reconcile any inconsistency in any Order, the Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created in connection with the Plan, to the extent authorized herein or in the Bankruptcy Code;

xii) Issue any injunctions, enter and implement other Orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation or enforcement of the Plan;

xiii) Enter and implement such Orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

xiv) Determine any dispute arising under or related to the Plan, including, without limitation, any dispute concerning the scope or effect of any release or discharge provided for by the Plan or the Confirmation Order.

xv) Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or Disclosure Statement;

xvi) Enter an Order of Final Decree concluding the Case; and

RISK FACTORS

Although the Debtors believe that they will be able to meet all of the obligations that they are undertaking pursuant to the Plan there can be no assurance that future events will not cause the Debtors to default on one or more of their obligations under the Plan or that the Closing will occur. If the Closing does not occur, the Debtors reserves the right, with consent of RWN, to amend the Plan.

CONFIRMATION OF THE PLAN

All distributions to Creditors are contingent on the Plan being confirmed by the Court. Otherwise, the Debtors are not obligated, in any way, to make the payments required hereunder.

RISK OF SUBSEQUENT REORGANIZATION OR LIQUIDATION

Although the Debtors believe that the confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization of the Debtors, there can be no assurance that such liquidation will not occur or that the need for such financial reorganization will not arise.

VOTING INSTRUCTIONS

A Creditor who is entitled to vote may accept or reject the Plan by executing and returning to the Balloting Agent (as defined below) the ballot (a "Ballot") that was sent out with this Disclosure Statement. See "VOTING INSTRUCTIONS -- Who May Vote." The following instructions govern the time and manner for filing Ballots accepting or rejecting the Plan, withdrawing or revoking a previously filed acceptance or rejection, who may file a Ballot, and procedures for determining the validity or invalidity of any Ballot received by the Balloting Agent.

DEADLINE FOR RECEIPT OF BALLOTS

The solicitation period for votes accepting or rejecting the Plan will expire at 5:00 p.m., Eastern Standard Time, _____, 2017 (the “Voting Deadline”). A Ballot accepting or rejecting the Plan must be received no later than that date and time or it will not be counted in connection with the Confirmation of the Plan or any modification thereof.

BALLOTING AGENT

All votes to accept or reject the Plan must be cast by using the Ballot. Executed Ballots should be returned by _____, 2017 at 5:00 p.m. to:

Robinson Brog Leinwand Greene Genovese & Gluck P.C.
875 Third Avenue
9th Floor
New York, New York 10022
Attention: Robert M. Sasloff, Esq.

(the “Balloting Agent”). A Creditor entitled to vote who has not received a Ballot, or whose Ballot has been lost, stolen or destroyed, may contact the Balloting Agent at the address indicated above, or call Robert M. Sasloff at (212) 603-6329 to receive a replacement Ballot.

WHO MAY VOTE - IN GENERAL

Claims in Classes 2, 4, 6 and 7 are impaired under the Plan. Holders of Claims in Classes 2, 4, 6 and 7 are being solicited and are entitled to vote to accept or reject the Plan. Interests in Classes 5 and 8 are impaired and shall be deemed to reject the Plan.

Ballots Executed in a Representative or Fiduciary Capacity. Ballots executed by executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, must indicate the capacity in which such person executed the Ballot and, unless otherwise determined by the Debtors, must submit proper evidence satisfactory to the Debtors of their authority to so act.

Voting Multiple Claims. A single form of ballot is provided for each Class of Claims. Any Person who holds Claims in more than one Class is required to vote separately with respect to each Class in which such Person holds Claims. However, any Person who holds more than one Claim in one particular Class will be deemed to hold only a single Claim in such Class in the aggregate amount of all Allowed Claims in such Class held by such Person. Thus each Person need complete only one ballot for each Class.

DEFECTS OR IRREGULARITIES

ANY EXECUTED AND TIMELY FILED BALLOT WHICH DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN SHALL BE DEEMED TO BE AN ACCEPTANCE OF THE PLAN.

Where more than one timely and properly completed Ballot is received, the Ballot which bears the latest date will be counted.

The Debtors reserve the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot. Unless waived, any defects or irregularities in connection with deliveries of Ballots must be cured prior to the deadline for filing timely Ballots. Neither the Debtors, the Balloting Agent, nor any other person will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots, nor will any of them incur any liability for failure to provide such notification. All questions as to the validity, form, eligibility (including the time of receipt), acceptance and revocation or withdrawal of Ballots will be determined by the Bankruptcy Court, upon motion and upon such notice and hearing as is appropriate under the circumstances. Unless otherwise directed by the Bankruptcy Court, delivery of Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots as to which any irregularities have not been cured or waived will not be counted toward the acceptance or rejection of the Plan.

REVOCAION OF PREVIOUSLY FILED ACCEPTANCES OR REJECTIONS

Any Creditor who has delivered a valid Ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Balloting Agent at any time prior to the Voting Deadline.

A notice of withdrawal, to be valid, must (i) describe the Claim, as the case may be, if appropriate, represented by such Claim, (ii) be signed by the Creditor in the same manner as the Ballot was signed and (iii) be received by the Balloting Agent on or before the Voting Deadline. The Debtors reserve the absolute right to contest the validity of any such withdrawals of Ballots.

ACCEPTANCE AND CONFIRMATION

CONFIRMATION

CONFIRMATION HEARING

The Bankruptcy Code requires that the Bankruptcy Court, after notice, hold a hearing to consider confirmation of the Plan. The Confirmation Hearing is scheduled to

commence on _____, **2017 at 10:00 a.m.** in the United States Bankruptcy Court, Southern District of New York, 1 Bowling Green, Alexander Hamilton Custom House, New York, New York. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the Confirmation Hearing.

Any party in interest may object to Confirmation of the Plan by filing a written objection, setting forth their identity and standing and the facts and authorities upon which any objection is based, in the Office of the Clerk of the Bankruptcy Court, no later than _____, 2017 and by delivering a courtesy copy to the Chambers of the presiding judge. Copies of all objections must also be served upon (i) Robinson Brog Leinwand Greene Genovese & Gluck P.C., 875 Third Avenue, 9th Fl., New York, New York 10022, Attn.: A. Robert M. Sasloff, and (ii) the Office of the United States Trustee, 201 Varick Street, Suite 1006, New York, New York 10014 so that they are received no later than _____, 2017. Any objection that is not timely filed and served as required will not be considered by this Court at the Confirmation Hearing.

REQUIREMENTS FOR CONFIRMATION

At the Confirmation Hearing, the Bankruptcy Court will determine whether the requirements of section 1129 of the Bankruptcy Code have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Plan. These requirements include determinations by the Bankruptcy Court that: (i) the Plan has classified Claims and Interests in a permissible manner, (ii) the contents of the Plan comply with various technical requirements of the Bankruptcy Code, (iii) the Debtors have proposed the Plan in good faith, (iv) the Debtors have made disclosures concerning the Plan that are adequate and include information concerning all payments made or promised in connection with the Plan and the Case, (v) the Plan is in the “best interest” of all Creditors, (vi) the Plan is feasible, and (vii) the Plan has been accepted by the requisite number and amount of Creditors in each Class entitled to vote on the Plan, or that the Plan may be confirmed without such acceptances.

The Debtors believe that all of these conditions have been or will be met prior to the Confirmation Hearing.

Best Interest Test. The so-called “best interest” test requires that each impaired Creditor and impaired Interest Holder either (a) accepts the Plan or (b) receives or retains under the Plan property of a value, as of the Effective Date of the Plan, that is not less than the value such entity would receive or retain if the Debtors were to be liquidated under chapter 7 of the Bankruptcy Code.

To determine what the holders in each Impaired Class of Claims or Interests would receive if the Debtors were liquidated under chapter 7, the Bankruptcy Court must determine the dollar amount that would be generated from the liquidation of the Debtors’

assets and properties in a chapter 7 liquidation case. The amount that would be available for satisfaction of Allowed Claims against the Debtors would consist of the proceeds resulting from the disposition of the Property. Such amount would be reduced by the amount of any Claim or Claims secured by the Debtors' assets, the costs and expenses of the liquidation, and such additional Administrative Claims and Priority Claims that may have accrued. Such value is then juxtaposed against the amount creditors are receiving under the Plan to determine if the value each impaired creditor is receiving is the same or more than such creditor would receive from a chapter 7 liquidation on the Confirmation Date.

The costs of liquidation under chapter 7 would become Administrative Claims with the highest priority against the proceeds of liquidation. Such costs would include the fees payable to a chapter 7 trustee, as well as those which might be payable to attorneys, appraisers, accountants, brokers and other professionals that such a trustee may engage to assist in the liquidation. In addition, chapter 7 costs would include any liabilities incurred or assumed pursuant to the transactions necessary to effectuate the liquidation. Moreover, claims entitled to administrative priority may arise by reason of any breach or rejection of any executory contracts entered into by the Debtors during the pendency of the Cases in chapter 11.

After satisfying Administrative Claims arising in the course of the chapter 7 liquidation, the proceeds of the liquidation would then be payable to satisfy any unpaid expenses incurred during the time the Case was pending under chapter 11, including compensation for attorneys, financial advisors, appraisers, accountants and other professionals retained by the Debtors or any official committee appointed pursuant to section 1102 of the Bankruptcy Code.

After consideration of the effects that a chapter 7 liquidation would have on the proceeds available for distribution including (i) the increased costs and expenses of a chapter 7 liquidation arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee, (ii) the erosion in value of the Property in a chapter 7 case in the context of the expeditious liquidation required under chapter 7 and the "forced sale" atmosphere that would prevail, and (iii) the potential tax consequences that would arise from a sale of the Property in a chapter 7, the Debtors believe that RWN would not receive payment in full on account of its Allowed Secured Claim and holders of Unsecured Claims would receive no distribution on account of their claims, as opposed to the possibility of a pro rata distribution of the sale proceeds in the context of a sale in the possibility of chapter 11, as provided for in the Plan. Notably, were RWN to credit bid its Allowed secured claim, it is possible that there would be insufficient funds to pay any costs or fees associated with a Chapter 7 case and that the Chapter 7 trustee might abandon the collateral to the secured creditor.

Liquidation Analysis. The Debtors have concluded that the Plan provides to each Creditor recovery with a present value at least equal to the present value of the distribution which such person would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. The Plan provides for a sale of the Debtors' Assets, all holders of claims to receive payment on their claims in their statutory priorities on their claim in their statutory priorities, with a waterfall from Ladera to L.P. to the extent available. If any amounts are left over, the residual to be paid to the Holder of Interests. The Debtors believe the sale process will provide for at least a pro rata distribution to unsecured creditors as opposed to the 0 distribution in a chapter 7 liquidation.

The Debtors believe that in the event their assets were sold in chapter 7 liquidation, all of the proceeds would go to pay chapter 7 administrative claims, bankruptcy fees, the Other Secured Claims and the Allowed RWN Ladera Secured Claim. In such event, no funds would be remaining for distribution to Unsecured Creditors. As such, the Debtors believe that no Creditors or interest holders would receive a distribution in a Chapter 7 case which is greater than the one they may be entitled to under the Plan.

The Debtors further believe that the net effect of a conversion of these cases to chapter 7 would be to (i) increase the administrative expenses of the estate and (ii) decrease the funds available for non-administrative creditors.

The liquidation values stated herein assume that the Property would be liquidated in the context of a chapter 7 case and assumes the present values of such liquidation values as of April 1, 2017. The assumptions utilized in the analysis considered the estimated liquidation value of the Property and estimated amount of Claims that would be allowed, together with an estimate of certain administrative costs and other expenses which would likely result during the liquidation process. While the Debtors believe the assumptions underlying the Liquidation Analysis are reasonable, the validity of such assumptions may be affected by the occurrence of events, and the existence of conditions not now contemplated or by other factors, many of which will be beyond the control of the Bankruptcy Court, the Debtor and any trustee appointed for the Debtors. The actual liquidation value of the Property may vary from that considered herein and the variations may be material.

The Debtors have assumed that the Property, would be sold within six months in a Chapter 7 liquidation. It is assumed that cash proceeds of liquidating the Property only, without the peripheral/ancillary agreements, would total approximately \$45,050,000.00, which equates to approximately 85% of the Debtors' estimation of the value of the Property alone, of \$53,000,000.00. This valuation is net of a discount to account for the negative impact on values attributed to the Chapter 7 process. There can be no assurance that any bid would exceed RWN's right to credit bid and therefore that any funds would be available for payment of claims, fees or costs in connection with such Chapter 7 case. As such, the

Debtors project that in a Chapter 7 liquidation, there would be no funds available for administrative expense claims in the Chapter 11 cases or general unsecured creditors and any payments in connection with the Chapter 7 cases would be as a result of any agreement reached between RWN and the Chapter 7 trustee to fund an orderly sale process in lieu of abandonment of the property to the secured creditor.

The Plan contemplates payment to all classes of creditors by public auction, with the sale proceeds to be distributed to satisfy claims in accordance with Bankruptcy Code priorities. In a chapter 7 liquidation, there might be insufficient funds to satisfy the RWN Secured Claim in full, if a carve-out was given to the chapter 7 trustee, as they would be entitled to receive in a chapter 7 liquidation.

Feasibility. For the Plan to be confirmed, it must be demonstrated that consummation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors unless such liquidation is set forth in the Plan. The Plan calls for the Assets to be sold at public auction and the Plan payments to be made from the Sale Proceeds.

Based on the Summary of the Plan, regardless of the implementation, the Plan meets the feasibility requirements of the Bankruptcy Code.

Confirmation With the Acceptance of Each Impaired Class. The Plan may be Confirmed if each impaired Class of Claims accepts the Plan. Classes of Claims which are not impaired are deemed to have accepted the Plan. A Class is impaired if the legal, equitable or contractual rights attaching to the Claims of that Class are modified other than by curing defaults and reinstating maturities or by payment in full in cash.

Holders of Claims impaired by the Plan are entitled to file Ballots accepting or rejecting the Plan. Holders of Claims not impaired by the Plan, are deemed to accept the Plan, and may not vote to accept or reject the Plan. Holders of Claims that will neither receive nor retain any property under the Plan are deemed to reject the Plan.

The Bankruptcy Code defines acceptance of a plan by a Class of Claims as acceptance by the holders of two-thirds in dollar amount and a majority in number of Claims of that Class who actually voted. Only those Claims, the holders of which actually vote to accept or reject the Plan, are counted for the purpose of determining whether the requisite number and amount of acceptances have been received.

Confirmation Without the Acceptance of Each Impaired Class. In the event that any impaired Class of Claims does not accept the Plan, the Bankruptcy Court may nevertheless confirm the Plan at the Debtors' request if (i) all other requirements of section 1129(a) of the Bankruptcy Code are satisfied, (ii) at least one impaired Class of Claims votes

to accept the Plan without regard to any vote cast on account of a Claim held by “insiders” (as defined in the Bankruptcy Code) and (iii) as to each impaired Class which has not accepted the Plan, the Bankruptcy Court determines that the Plan “does not discriminate unfairly” and is “fair and equitable” with respect to such non-accepting Class. The Debtors believe that the Plan is in the best interest of all Creditors and strongly recommends that all parties entitled to vote cast their ballots in favor of accepting the Plan. Nevertheless, out of an excess of caution, pursuant to the Plan, the Debtors have requested that the Court confirm the Plan over the rejection of any non-accepting class in the event all other elements of section 1129(a) are satisfied.

A plan “does not discriminate unfairly” if the legal rights of a non-accepting class are treated in a manner that is consistent with the treatment of other classes whose legal rights are intertwined with those of the non-accepting class, and no class receives payments in excess of that which it is legally entitled to receive for its Claims. The Debtors believe that under the Plan all classes of Impaired Claims are treated in a manner that is consistent with the treatment of other classes of Claims with which their legal rights are intertwined, if any, and no class of Claims will receive payments or property with an aggregate value greater than the aggregate value of the Allowed Claims in such class. Accordingly, the Debtors believe the Plan does not discriminate unfairly as to any impaired class of Claims.

Whether the Plan is fair and equitable depends upon the application of the so-called “absolute priority rule.” Subject to certain exceptions, this rule, codified in section 1129(b)(2) of the Bankruptcy Code, generally requires that an impaired Class of Claims that has not accepted the Plan must be paid in full if a more junior class receives any distribution under the Plan.

With respect to secured claims, the absolute priority rule allows the confirmation of a plan over the rejection of a class of secured claims if the holders of such claims retain their liens and each holder of a claim of such class receives on account of such claim deferred cash payments, totaling at least the allowed amount of such claim, of a value, as of the effective date of a plan, of at least the value of such holder’s interest in the property securing its claim. The Debtors’ impaired Secured Creditor, RWN, and their respective security interests as set forth in their security documents will remain in place such that their liens remain on the respective Debtors’ Assets. RWN will be paid from the Sale Proceeds at least the value of their interests in the Assets securing their claims.

With respect to Unsecured Claims, the absolute priority rule allows the confirmation of a Plan over the rejection of a class of Unsecured Claims if the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the Plan on account of such junior claim or interest any property. There is, however, a “new value” exception to the absolute priority rule, which the Debtors submit applies in these cases.

In this case, to the extent sufficient proceeds exist in the Ladera case, equity will contribute those proceeds to L.P., to be utilized by its creditors in full before receiving everything on account of such interests.

The Debtors believe that the new value being contributed by Interest Holders is necessary and substantial. As the Allowed Interests are retaining their interests post-confirmation on account of the same, and not on account of their prior equity position, the Debtors submit that the “new value” exception to the absolute priority rule applies.

With respect to the Allowed Interests, Section 1129(b)(2)(C) requires that the holder of such interest receive any fixed liquidation preference, fixed redemption price or value of such interest, or that no junior interest will receive or retain any property on account of such junior interest. To the best of Debtors’ knowledge, Interest Holders are not entitled to any fixed liquidation preference or redemption price and no junior interests are receiving or retaining any property under the Plan. Accordingly, the Plan complies with section 29(b)(2)(C) of the Bankruptcy Code.

If the Plan is rejected by only one class of impaired creditors, the Debtors request that the Plan be confirmed under section 1129(b).

EFFECT OF CONFIRMATION

INJUNCTION

Except (i) as otherwise provided under Final Order entered by the Bankruptcy Court or (ii) with respect to the Debtors’ obligations under the Plan, the entry of the Confirmation Order shall forever stay, restrain and permanently enjoin with respect to any Claim held against either of the Debtors as of the date of entry of the Confirmation Order (i) the commencement or continuation of any action, the employment of process, or any act to collect, enforce, attach, recover or offset from the Property, or from property of the Estates that has been or is to be distributed under the Plan, and (ii) the creation, perfection or enforcement of any lien or encumbrance against the Property and any property of the Estates that has been or is to be, distributed under the Plan. Except as otherwise provided in the Confirmation Order, the entry of the Confirmation Order shall constitute an injunction against the commencement or continuation of any action, the employment of process, or any act to collect, recover or offset from the

Property, or from property of the Estates, any claim, any obligation or debt that was held against the Property or from property of the Estates by any person or entity as of the Confirmation Date except pursuant to the terms of the Plan. The entry of the Confirmation Order shall permanently enjoin all Creditors, their successors and assigns, from enforcing or seeking to enforce any such Claims. For the avoidance of doubt, this section 8.1 shall not apply to RWN in any suit, action, or other proceeding to enforce its valid and enforceable liens or collect upon any guaranty related to the Property or property of the Estates against the Debtors' Interest Holder and any affiliate of the Debtors or Mr. Futterman that is not a Debtor in these Cases.

RELEASE

To the extent permissible under applicable bankruptcy law, except as otherwise provided in the Plan, upon the Effective Date, in consideration of the Cash and other property to be distributed to or on behalf of the holders of Claims and Interests under the Plan, the Plan shall be deemed to resolve all disputes and constitute a settlement and release, between and among the Debtors, on the one hand, and each Creditor and Interest Holder on the other, from any claim or liability, whether legal, equitable, contractual, secured, unsecured, liquidated, unliquidated, disputed, undisputed, matured, unmatured, fixed or contingent, known or unknown, that the Debtors, its Creditors or Interest Holders ever had or now have through the Closing Date in connection with their Claim or Interests (including, without limitation, any claims the Debtors may assert on their own behalf or on behalf of Creditors or Interest Holders pursuant to Sections 510 and 542 through 553 of the Bankruptcy Code, any claims Creditors or Interest Holders may have asserted derivatively on behalf of the Debtors absent bankruptcy, any claims based on the conduct of the Debtors' businesses affairs prior or subsequent to the commencement of the Case or any claims based on the negotiation, submission and confirmation of the Plan), provided however that nothing in the Plan or the Confirmation Order shall effect a release of any claim for any debt owed to the United States Government arising under the Internal Revenue Code; any state, city or municipality arising under any state, city or municipal tax code; any environmental laws or any criminal laws of the United States or any state, city or municipality. Nothing in the Confirmation Order or the Plan shall enjoin the United States or any state or local authority from bringing any claim, suit, action or other proceedings against the Released Parties for any claim, suit or action arising under the Internal Revenue Code, any state, city or municipal tax code, the environmental laws or any criminal laws of the United States or any state, city or municipality. Nothing in the Confirmation Order or the Plan shall exculpate any party from any liability to the United States Government or any of its agencies or any state, city or municipality arising under the Internal Revenue Code, any state, city or municipal tax code, the environmental laws or any criminal laws of the United States or any state.

Pursuant to section 1123(b) of the Bankruptcy Code for good and valuable consideration, on and after the Effective Date, the Released Parties and each of their professionals are deemed released by the Debtors from any and all claims, obligations, rights, suits, damages, causes of action, remedies and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, that the Debtors or the estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Cases, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any of the foregoing releases, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan or related agreements, instruments or other documents, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date.

Notwithstanding anything contained herein, (i) nothing contained in the Plan shall be deemed a release with respect to any claims against any third-parties and (ii) nothing in this Section 8.3 of the plan shall apply to RWN unless and until all of its Allowed Claims are paid in full.

LIMITATION OF LIABILITY

Section 1125(e) of the Bankruptcy Code, commonly referred to as the “safe harbor,” protects persons acting in good faith, from civil claims arising in connection with solicitations of acceptances of plans of reorganization or participating in the offer, issuance, sale or purchase of a security under the Plan. Pursuant to Section 1125(e), as set forth in Article 8 of the Plan, neither the Debtors, nor any of their respective officers, directors, members, general partner, managers or employees (acting in such capacity), nor any professional person employed by any of them, if any, (the “Released Parties”) shall have or incur any liability to any entity for any action taken or omitted to be taken in connection with or related to the formulation, preparation, dissemination, Confirmation or consummation of the Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created or entered into, or any other action taken or omitted to be taken in connection with the Plan except in the case of fraud, gross negligence, willful misconduct, malpractice, breach of fiduciary duty, criminal conduct, unauthorized use of confidential information that causes damages, or ultra vires acts. Nothing contained herein shall limit the liability of the Debtor’s professionals pursuant to Rule 1.8(h)(1) of the New York State Rules of Professional Conduct. From and after the Closing Date, a copy of the Confirmation

Order and the Plan shall constitute, and may be submitted as, a complete defense to any claim or liability released pursuant to Article 8 of the Plan.

ALTERNATIVES TO THE PLAN

If the Plan is not confirmed by the Bankruptcy Court, the alternatives may include (a) liquidation of the Debtors under chapter 7 of the Bankruptcy Code; (b) the formulation, promulgation and confirmation of an alternative plan of reorganization premised upon exit financing, or a sale of the Property; or (c) dismissal of the Debtors' cases. In the case of dismissal, RWN would in all likelihood proceed with a foreclosure sale and seek to take ownership of the Assets or would seek to re-notice its UCC Sale.

The Debtors believe that the Plan provides a recovery to all Creditors equal to or greater than would be obtainable in a chapter 7 liquidation.

The Debtors believe that the Plan enables Creditors to realize the most value under the circumstances.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following summary of certain U.S. Federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon the particular circumstances pertaining to each holder of an Allowed Claim. Each holder of an Allowed Claim is urged to consult his own tax advisors. This summary does not cover all potential U.S. federal income tax consequences that could possibly arise under the Plan and does not address the Plan's U.S. federal income tax consequences for any holder of an Allowed Claim that is a partnership (or other pass-through entity) or otherwise subject to special tax rules.

The Debtors have not requested any ruling from the Internal Revenue Service or any other taxing authority with respect to such matters nor will the Debtors, with respect to the federal income tax consequences of the Plan, obtain any opinion of counsel. Consequently, there can be no assurance that the treatment set forth in the following discussion will be accepted by the IRS. The Debtors offer no statements or opinions that are to be relied upon by the creditors as to the treatment of creditors' claims under the Plan. Matters not discussed in this Disclosure Statement may affect the tax consequences of the Plan on any particular holder of a Claim or Equity Interest

This summary is based upon the laws in effect on the date of this Disclosure Statement and existing judicial and administrative interpretations thereof, all of which are

subject to change, possibly with retroactive effect. Holders of Allowed Claims should consult their own tax advisors as to the Plan's specific federal, state, local and foreign income and other tax consequences.

The tax consequences to Creditor and Interest Holders will differ and will depend on factors specific to each Creditor and Interest Holder, including but not limited to: (i) whether the Claim or Interest (or portion thereof) constitutes a claim for principal or interest; (ii) the origin of the Claim or Interest; (iii) the type of consideration received by the Creditor and Interest Holder in exchange for the Claim; (iv) whether the Creditor and Interest Holder is a United States person or foreign person for tax purposes; (v) whether the Creditor and Interest Holder reports income on the accrual or cash basis method; (vi) whether the Creditor and Interest Holder has taken a bad debt deduction or otherwise recognized loss with respect to a Claim.

THERE ARE MANY FACTORS WHICH WILL DETERMINE THE TAX CONSEQUENCES TO EACH CREDITOR AND INTEREST HOLDER. FURTHERMORE, THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX, AND IN SOME CASES, UNCERTAIN. THEREFORE IT IS IMPORTANT THAT EACH CREDITOR AND INTEREST HOLDER OBTAIN HIS, HER OR ITS OWN TAX ADVICE REGARDING THE TAX CONSEQUENCES TO SUCH CREDITOR AND INTEREST HOLDER AS A RESULT OF THE PLAN.

THE DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY CREDITOR AND INTEREST HOLDER FOR THE PURPOSE OF AVOIDING TAX PENALTIES THAT MAY BE IMPOSED ON A TAX PAYER. THE DISCUSSION HEREIN WAS WRITTEN TO SUPPORT THE TRANSACTIONS DESCRIBED IN THIS DISCLOSURE STATEMENT. EACH CREDITOR AND INTEREST HOLDER SHOULD SEEK ADVICE BASED UPON THE CREDITOR AND INTEREST HOLDER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

ADDITIONAL INFORMATION

Requests for information and additional copies of this Disclosure Statement, the Ballots and the other materials delivered together herewith and all deliveries, correspondence and questions, as the case may be, relating to the Plan should be directed to (i) the Debtors' counsel, Robinson Brog Leinwand Greene Genovese & Gluck P.C., 875 Third Avenue, 9th Fl., New York, New York 10022, Attention: Robert M. Sasloff (212) 603-6329.

Copies of all pleadings, orders, lists, schedules, proofs of claims or other documents submitted in these cases are on file in the Office of the Clerk of the United States Bankruptcy

Court at 1 Bowling Green, Alexander Hamilton Custom House, New York, New York, and are available for public inspection Monday through Friday, between the hours of 9:00 a.m. and 4:00 p.m. and are also available for viewing on the Internet at <http://www.nysb.uscourts.gov>.

CONCLUSION

The Debtors believe the Plan is in the best interests of all Creditors and should be confirmed.

Dated: New York, New York
April 28, 2017

LADERA PARENT LLC
By its **SOLE MEMBER:**
300W122 HOLDINGS LLC, a Delaware limited liability company, its Manager

By: /s/ Hans Futterman
HANS FUTTERMAN, Manager

LADERA, LLC

By: /s/ Hans Futterman
HANS FUTTERMAN, Manager

Dated: New York, New York
April , 2017

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By: /S/Robert M. Sasloff
Robert M. Sasloff