

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

Chapter 11

**E. 10<sup>TH</sup> STREET HOLDINGS LLC,**

Case No.: 17-23142-rdd

Debtor.

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**DISCLOSURE STATEMENT FOR  
PLAN OF LIQUIDATION OF E. 10<sup>TH</sup> STREET HOLDINGS LLC**

**THIS DISCLOSURE STATEMENT IS BEING SUBMITTED TO THE BANKRUPTCY COURT FOR FINAL APPROVAL ON DECEMBER 15, 2017 AT 10:00 A.M. IMMEDIATELY PRIOR TO THE HEARING ON CONFIRMATION OF THE DEBTOR'S PLAN OF LIQUIDATION.**

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**A. Mitchell Greene, Esq.**

**Dated:** New York, New York

November ~~15~~, 17, 2017

## DISCLAIMER

ALL CREDITORS AND HOLDERS OF EQUITY INTERESTS SHOULD READ THIS DISCLOSURE STATEMENT AND ALL EXHIBITS HERETO, INCLUDING 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 DEBTORS 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 LIQUIDATION OR THE PLAN ON HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTOR.

## SUMMARY

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

The Debtor, E. 10<sup>th</sup> Street Holdings LLC, (the “Debtor”), has filed its *Plan of Liquidation of E. 10<sup>th</sup> Street Holdings LLC* dated ~~October 17~~, November 17, 2017 (the “Plan”)<sup>1</sup>, with the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). This *Disclosure Statement for Plan of Liquidation of E. 10<sup>th</sup> Street Holdings LLC* (the “Disclosure Statement”) has been conditionally approved by the Bankruptcy Court, including for use in connection with the solicitation of acceptances of the Plan from holders of ~~Claims against~~ Interests in the Debtor (the Debtor understands that all its Interest Holders support Confirmation of the Plan) pursuant to section 1125 of title 11 of the United States Code (the “Bankruptcy Code”).

The treatment of claims under the Plan provides for a 100% recovery for Creditors on account of their ~~claims~~ Allowed Claims. Debtor submits that the Plan therefore provides Creditors with at least as much as they would be entitled to receive in a Chapter 7 liquidation.

**Accordingly, the Debtor believes that Confirmation of the Plan is in the best interests of Creditors and Interest Holders.**

### **THE DEBTOR**

The Debtor owns the real property, and the improvements thereon, located at 251 East 10th Street, New York, New York (the “Property”). The Property is encumbered by a mortgage in favor of E. Village Lender, the holder of a note in the principal amount of \$3,850,000, which was originally extended to the Debtor on July 26, 2016.

### **THE PLAN**

The Plan is the result of a compromise of claims between the Debtor and E. Village Lender, the Debtor’s senior secured creditor. The Plan provides for a sale of the Property to SJG East Tenth Realty LLC (the “Purchaser”) for a purchase price of \$8,000,000, pursuant to the Contract of Sale (the “Contract”), which is attached to the Plan as **Exhibit A**. Holders of Allowed Claims will receive a 100% recovery from the Sales Proceeds with any remaining Sales Proceeds to be distributed to Holders of Allowed Interests.

The Plan complies with section 1129(b) of the Bankruptcy Code, in that the Property will be sold and all ~~claims~~ Allowed Claims will be paid in full from the Sales Proceeds.

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<sup>1</sup> Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Plan.

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

Class and Estimated Amount	Type of Claim or Equity Interest	Summary of Treatment
\$0.00	Administrative Claims (excluding Claims for professional compensation and reimbursement and Administrative Tax Claims, but including post-petition ordinary course liabilities)	<b>Non-Voting.</b> 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 <u>together with interest</u> on (i) the later of (x) 30 days after the Closing, (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 <del>Allowed</del> Administrative Claim or (ii) as may be otherwise mutually agreed in writing between the Debtor and the Holder of such Claim; <i>provided, however,</i> that any Administrative Claim incurred by the Debtor in the ordinary course of its business shall be paid in full or performed by the Liquidating Debtor in accordance with the terms and conditions of the particular transaction giving rise to such Administrative Claim and any agreements relating thereto.
\$ 0.00	Administrative Tax Claims	<b>Non-Voting.</b> Subject to the provisions of Article 7 of the Plan with respect to Disputed Claims, all <del>allowed</del> Administrative Tax Claims <del>held by Governmental Units</del> shall be paid, in Cash, in full <u>together with interest</u> either (i) on or prior to the Closing, or (ii) upon such other terms as may be agreed to, in writing, between the Debtor and such Governmental Units on or before the Confirmation Date.
As of November 14, 2017, Debtor's counsel has incurred fees and expenses of approximately \$32,500	Administrative Claims for Professional Compensation and Reimbursement <sup>1,2</sup>	<b>Non-Voting.</b> 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 30 days after 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.

<sup>1</sup> ~~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.~~

<sup>2</sup> 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	Type of Claim or Equity Interest	Summary of Treatment
\$0.00	Priority Tax Claims	<b>Non-Voting.</b> In full satisfaction, release and discharge of Priority Tax Claims, and except as may be otherwise mutually agreed in writing between the Debtor and such Governmental Units, all <del>allowed</del> <u>Allowed</u> Priority Tax Claims shall be paid by the Liquidating Debtor in Cash in full, together with interest within 30 days of the Closing.
Class 1 \$0.00	Priority Non-Tax Claims	<b>Unimpaired.</b> In full satisfaction, release and discharge of the Priority Non-Tax Claims, each Holder of <del>an</del> <u>Allowed</u> Priority Non-Tax Claim shall receive, within 30 days of the Closing, or as soon as practicable after each such Claim becomes an Allowed Claim, whichever is sooner, payment from the Disbursing Agent, (i) in Cash in the full amount of its Priority Non-Tax Claim, <u>with interest</u> , or (ii) as may be otherwise agreed in writing between the Debtor and the Holder of such Priority Non-Tax Claim.
Class 2 As of November 14, 2017, the undisputed amount of the E Village Lender Secured Claim is \$4,102,801.87 as set forth in Exhibit B attached to the Plan which amount includes legal fees due lender's counsel through September 30, 2017. Subject to the Closing taking place on or before January 31, 2018, legal charges will be capped at \$33,000.	E Village Lender Secured Claim	<b>Unimpaired.</b> Subject to the provisions of Article 7 of the Plan with respect to Disputed Claims, in full satisfaction, release and discharge of the E Village Lender Secured Claim, E Village Lender shall receive Cash at Closing from the Sales Proceeds in the amount of the Allowed E Village Lender Secured Claim, <u>including agreed-upon interest</u> .
Class 3 Estimated:	Other Secured Claims	<b>Unimpaired.</b> Subject to the provisions of Article 7 of the Plan with respect to Disputed Claims, in full

Class and Estimated Amount	Type of Claim or Equity Interest	Summary of Treatment
<del>\$345.00</del> <sup>2</sup> <u>\$345.00</u> <sup>3</sup>		satisfaction, release and discharge of each Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive at the Closing, or as soon as practicable after each such Other Secured Claim becomes an Allowed Claim, (i) Cash, in the full amount of its <u>Allowed Claim, with interest</u> , or (ii) such other treatment as to which the Debtor and each Holder of such Other Secured Claim shall have agreed upon in writing.
Class 4 <del>\$15,523</del> <sup>3</sup> <u>\$15,523</u> <sup>4</sup>	Unsecured Claims	<b>Unimpaired.</b> 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 Unsecured Claims, the Holders of the Class 4 Unsecured Claims against the Debtor shall receive, within 30 days of the Closing, Cash equal to 100% of their Allowed Claim, with <u>postpetition</u> interest at the federal judgment rate, from the Disbursing Agent.
Class 5	Interests	<del>Unimpaired</del> <u>Impaired</u> . After all payments are made under the Plan, any remaining Cash, including any Sales Proceeds, shall be distributed to the <del> Holders of Allowed</del> <u>holders of Interests, Pro Rata based on the number of</u> Interests.

#### 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 December 15, 2017 at 10:00 a.m., Eastern Standard Time, in the United States Bankruptcy Court for the Southern District of New York, 300 Quarropas Street, White Plains, New York 10601. The Bankruptcy Court has directed that objections, if any, to Confirmation of the Plan be filed and served so as to be received on or before December 12, 2017 at 5:00 p.m., in the manner described under “ACCEPTANCE AND CONFIRMATION -- Confirmation Hearing.”

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 Debtor intends to seek Confirmation of the Plan at the Confirmation Hearing. **The Debtor believes that the Plan satisfies all applicable requirements of section 1129(a) and section 1129(b) of the**

<sup>2</sup> ~~Amount based upon scheduled amount and claims filed.~~

<sup>3</sup> Amount based upon scheduled amount and claims filed.

<sup>34</sup> Amount based upon scheduled amount and claims filed.

**Bankruptcy Code.** See “ACCEPTANCE AND CONFIRMATION -- Requirements for Confirmation” for a description of such requirements.

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 Debtor or any of its assets or properties, including any Claim accruing after the Petition Date and before the Confirmation Date. As of the Closing, all holders of Claims shall be precluded from asserting any Claim against the Debtor or its assets or properties or other interests in the Debtor 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 Debtor, all Creditors and other parties regardless of whether they have accepted the Plan.

## **NO VOTING BY CREDITORS— SUMMARY**

**THE PLAN PROVIDES FOR PAYMENT IN FULL TO EACH CLASS OF CREDITORS. AS EACH CLASS OF CLAIMS IS UNIMPAIRED, HOLDERS OF CLAIMS ARE NOT BEING SOLICITED, ARE NOT ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN AND ARE DEEMED TO HAVE ACCEPTED THE PLAN.**

### **NOTICE TO HOLDERS OF CLAIMS AND INTERESTS**

This Disclosure Statement and the accompanying notification of non-voting status are being furnished by the Debtor to the Debtor’s known Creditors and Interest Holders pursuant to section 1125(b) of the Bankruptcy Code. A copy of the Plan is included in this package and is incorporated herein by reference.

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

**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 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 THE DEBTOR.**

**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 Debtor has been prepared using the Debtor's 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 Debtor's independent public accountants.

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 Debtor of the existence, validity, allowance, or amount of any such claim, document or agreement. The Debtor expressly reserves the right to challenge the existence, validity, allowance, or amount of any such claim, document or agreement.

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 Debtor believes 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 Debtor or its future business operations, results of operations or financial condition, are authorized by the Debtor other than as set forth in this Disclosure Statement, the Plan and the exhibits hereto.



The statements contained in this Disclosure Statement are made as of the date hereof unless another time is specified herein. The delivery of this Disclosure Statement shall not create, under any circumstances, an implication that there has been no change in the facts set forth herein since the date hereof.

This Disclosure Statement is intended for the sole use of Holders of Claims and Interest 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 Person has been authorized to use or promulgate any information concerning the Debtor or its 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 Debtor or its business or the Plan other than that contained in this Disclosure Statement and the exhibits hereto.

#### **RECOMMENDATION**

In the Debtor's opinion, the treatment of Creditors under the Plan which provides for payment in full on account of their ~~e~~claims Allowed Claims provides Creditors with at least as much as they would be entitled to receive in a liquidation under Chapter 7. See "ALTERNATIVES TO THE PLAN." The Plan as proposed provides for a sale of the Property with the sale proceeds to be utilized to make payment in full to each class of creditors.

**THE DEBTOR BELIEVES THAT CONFIRMATION OF THE PLAN IS IN THE BEST INTERESTS OF CREDITORS AND INTEREST HOLDERS.**

#### **EVENTS LEADING TO CHAPTER 11**

The Debtor owns the real property and improvements located at 251 East 10<sup>th</sup> Street, New York, New York. On or about June 22, 2017, E. Village Lender commenced an action in New York State Supreme Court, seeking to foreclose on its mortgage. The Debtor filed for bankruptcy protection on July 21, 2017 (the "Petition Date") to stay the foreclosure action and to preserve the value of the Property and be able to close on the Contract, which will provide for a 100% recovery to Holders of Allowed Claims.

The Property was marketed extensively pre-petition. Post-petition the Debtor entered into the Contract with Purchaser. Debtor sought offers for the Property utilizing its own network of real estate investors as well as working with various brokers, including Victor Azatchi of RMB Properties LLC, Aaron Jungreis of Rosewood Realty Group, and Amit Doshi of the Besen Group. While various proposals were received for the Property, the \$8,000,000 contract with Purchaser was the highest and best offer, containing no due diligence provisions, and is for a purchase ~~pr~~ices price that is more than sufficient to pay all Allowed ~~e~~claims Claims in full.

## SIGNIFICANT EVENTS IN THE CHAPTER 11 CASE

On the Petition Date, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York. The following discussion is intended to highlight some of the more significant events which have occurred during the pendency of the Debtor's case.

### CASH COLLATERAL

The Debtor and E. Village Lender successfully negotiated a final cash collateral stipulation authorizing the Debtor's use of cash collateral which was ~~entered~~ "so ordered" on September 19, 2017.

### 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 October 17, 2017, the Debtor sought authority from the Bankruptcy Court to retain the law firm of Robinson Brog Leinwand Greene Genovese & Gluck P.C., as its counsel. ~~The application was granted pursuant to an order signed on [ ];~~ An order authorizing the retention was submitted to the Court for approval of the retention effective as of the Petition Date. The order has not yet been entered on the ECF docket of the Debtor's case.

### 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 Debtor believes 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 Debtor's schedules. By order of the Bankruptcy Court dated August 30, 2017, October 10, 2017 was set as the last day for creditors to file Proofs of Claim in the Debtor's Chapter 11 case. A total of four claims were filed in the Debtor's case.

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 Debtor 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 Debtor will file monthly operating reports with the Bankruptcy Court. Copies of such reports may be obtained (i) from the Bankruptcy Court during normal business hours, (ii) upon written request made to counsel for the Debtor, or (iii) from the Bankruptcy Court's Electronic Case Filing System ("ECF")<sup>45</sup> which may be accessed at the Bankruptcy Court's Internet website at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov).

## 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~~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 four classes of Claims and one class of Interests:

- Class 1 - Priority Non-Tax Claims
- Class 2 – E Village Lender Secured Claim
- Class 3 – Other Secured Claims
- Class 4 – Unsecured Claims
- Class 5 – Interests

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

Claims in Classes 1, 2, 3 and 4 ~~and Interests in Class 5~~ are unimpaired under the Plan as such term is used in section 1124 of the Bankruptcy Code. The votes of Holders of Claims

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<sup>45</sup> Filing documents on the ECF requires a password which an attorney may obtain by contacting the Bankruptcy Court's technical assistance department, Monday through Friday, 9:00 a.m. to 4:00 p.m.

in Classes 1, 2, 3 and 4 ~~and Interests in Class 5~~ are therefore NOT being solicited, are NOT entitled to vote to accept or reject the Plan and are deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

[Interests in Class 5 are impaired under the Plan and are entitled to vote to accept or reject the Plan.](#)

**Class 1 – Priority Non-Tax Claims.** Class 1 consists of all Priority Non-Tax Claims.

**Class 2 – E Village Lender Secured Claim.** Class 2 consists of the Allowed E Village Lender Secured Claim.

**Class 3 – Other Secured Claims.** Class 3 consists of all Other Secured Claims.

**Class 4 – Unsecured Claims.** Class 4 consists of Allowed Unsecured Claims.

**Class 5 – Interests.** Class 5 consists of all Interests in the Debtor.

#### **TREATMENT OF CLAIMS CLASSIFIED UNDER THE PLAN**

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

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

**Class 2 – E Village Lender Secured Claim.** Subject to the provisions of Article 7 of the Plan with respect to Disputed Claims, in full satisfaction, release and discharge of the E Village Lender Secured Claim, E Village Lender shall receive Cash at Closing from the Sales Proceeds in the amount of ~~its~~ the Allowed E Village Lender Secured Claim ~~from the Sales Proceeds at the Closing, including agreed-upon interest.~~

**Class 3 – Other Secured Claims.** Subject to the provisions of Article 7 of the Plan with respect to Disputed Claims, in full satisfaction, release and discharge of each Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive at the Closing, or as soon as practicable after each such Other Secured Claim becomes an Allowed Claim, (i) Cash, in the full amount of its Claim with interest, or (ii) such other treatment as to which the Debtor and each Holder of such Other Secured Claim shall have agreed upon in writing.

**Class 4 – 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 Allowed Unsecured Claims, the Holders of the Class 4 Unsecured Claims against the Debtor shall receive, within 30 days of the Closing, Cash equal to 100% of their Allowed Claim, with interest at the federal judgment rate, from the Disbursing Agent.

**Class 5 - Interests.** After all payments are made under the Plan, any remaining Cash, including any Sales Proceeds, shall be distributed to the ~~Holder~~holders of Interests, Pro Rata based on the number of Interests.

#### 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)(~~12~~) 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~~Allowed 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 Debtor after the Petition Date, the liabilities incurred in the ordinary course of the Debtor's business (other than claims of governmental units for taxes or interest or penalties related to such taxes) after the Petition Date, Claims of ~~professionals~~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 Closing.

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, (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 Debtor and the Holder of such Claim; *provided, however*, that any Administrative Claim incurred by the Debtor in the ordinary course of its business shall be paid in full or performed by the Liquidating Debtor 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 which is 30 days after the Effective Date.** In the event that the Plan is confirmed, the Debtor 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~~professionals retained by a ~~Debtor~~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~~section 330 ~~and 331~~ of the Bankruptcy Code, the Debtor shall pay the Administrative Claims held by Bankruptcy Professionals as follows:

No later than three days prior to the Confirmation Date, each Professional shall provide the Debtor 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. At the Closing, the Liquidating Debtor shall segregate sufficient ~~cash~~Cash to pay all such estimated compensation and expenses in full unless otherwise agreed to by the Debtor and such Professionals; *provided, however,* that the failure of a Professional to provide such an estimate shall relieve the Liquidating Debtor of its obligation to segregate funds for the payment therefore, but shall not relieve the Debtor of the obligation with respect to any allowed compensation and expense reimbursement.

All Professionals shall file final applications for approval of compensation and reimbursement of reasonable and necessary expenses pursuant to section 330 of the Bankruptcy Code no later than 30 days after the Administrative Bar Date. Any such application timely filed shall be deemed to be an Administrative Claim, subject, however, 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 Liquidating Debtor 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~~may 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 together with interest either (i) on or prior to the Closing, or (ii) upon such other terms as may be agreed to, in writing, between the Debtor and such Governmental Units on or before the Confirmation Date.

**Priority Tax Claims.** In full satisfaction, release and discharge of Allowed Priority Tax Claims, and except as may be otherwise mutually agreed in writing between the

Debtor and such Governmental Units, all ~~allowed~~Allowed Priority Tax Claims shall be paid by the Liquidating Debtor in Cash in full, together with interest within 30 days of the Closing.

**Bankruptcy Fees.** All fees and charges assessed against the Debtor under section 1930 of title 28 of the United States Code ~~and any applicable interest thereon~~ shall be paid by the Debtor, in full, in Cash as and when due, until the closing, conversion or dismissal of this Case, whichever is earlier.

#### **DISPUTED CLAIMS AND INTERESTS**

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

**Time to Object.** Unless otherwise ordered by the Bankruptcy Court for cause, 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~~and (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 or (ii) there is a timely objection to such Claim.~~

Notwithstanding the foregoing, the Debtor shall not object to the undisputed portion of the E Village Lender Secured Claim which has been fixed as of November 14, 2017, in the amount of \$4,102,801.87, as set forth in Exhibit B attached to the Plan, which amount includes legal fees due lender's counsel through September 30, 2017. Subject to the Closing taking place on or before January 31, 2018, E Village Lender's Secured Claim for legal charges will be capped at \$33,000. Debtor reserves all rights to object to: any legal charges accruing after October 1, 2017 to the extent the Closing does not take place on or before January 31, 2018; and any other charges accruing after October 1, 2017, other than default interest accruing at the rate of \$885.50 per diem, in connection with the E Village Lender Secured Claim.

#### **DISTRIBUTIONS UNDER THE PLAN**

Article 7 contains provisions governing the making of distributions on account of Allowed 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 30 days following the later of (i) the Closing or (ii) the expiration of any applicable objection deadline with respect to Disputed Claims or (iii) such other times provided in the Plan. All Cash payments to be made by the Debtor pursuant to the Plan shall be made by check drawn on a domestic bank. To the extent that any distribution is not paid on the Closing, funds in an amount

necessary to satisfy any such unpaid claim shall be maintained in an escrow account for distribution thereafter.

**Disbursing Agent.** Robinson Brog Leinwand Greene Genovese & Gluck P.C. shall be the Disbursing Agent to make distributions under the Plan. Other than payments to be made at Closing, the Disbursing Agent shall distribute all Cash or other property to be distributed under the Plan and may employ or contract such third parties as may be necessary to assist in or perform the distribution of Cash or other property under the Plan. Pending the final distribution of all sums distributable under the terms of the Plan (including the delivery to the Liquidating Debtor 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 Liquidating Debtor 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 ~~five~~<sup>30</sup> days following the later of (i) the Closing or (ii) the expiration of any applicable objection deadline with respect to Disputed Claims or (iii) such other times provided in the Plan. All Secured Claims shall be paid at the Closing.

**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.

**Prosecution of Objections.** After the Confirmation Date, only the Liquidating Debtor shall have authority to file, settle, compromise, withdraw or litigate to judgment objections to Disputed ~~Claim. The Liquidating Debtor may comprise any objections to Disputed Claims without further order of the Court~~Claims.

**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 Liquidating Debtor shall make available any and all funds required under Plan 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 Closing, 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, be



held in trust for the benefit of the Holders of all such Disputed Claims pending determination of their entitlement thereto.

(b) The Liquidating Debtor shall have the right to seek an ~~Order~~order of the Bankruptcy Court under section 502(c) of the Bankruptcy Code, after notice and hearing, estimating or limiting the amount of Cash that must be so deposited on account of any Disputed Claim, including Administrative Expenses. 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 Liquidating Debtor.

**Distribution After Allowance.** Within 15 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 Liquidating Debtor for distribution under the Plan.

#### **Surrender of Instruments; Execution of Satisfactions and Releases.**

(a) 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 such 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 Debtor 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 or shall 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, and except for distributions to E Village Lender which ~~distributions~~distribution on account of the Allowed E Village Lender Secured Claim shall be made at Closing of the sale of the Property pursuant to E Village Lender payoff instructions, distributions under the Plan to Holders of Allowed Claims and Allowed Interests shall be made: (1) at the addresses set forth on the respective Proofs of Claim or Proofs of Interests 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 or Proof of Interest 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 or Interest 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, the Disbursing Agent shall make distributions of all Cash 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 Liquidating Debtor to attempt to locate any Holder of an Allowed Claim or an Allowed Interest.

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

**Set-offs.** The Liquidating Debtor, as 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 Liquidating Debtor 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 Liquidating Debtor of any such claims, obligations, rights, causes of action and liabilities that the Debtor (or the Liquidating Debtor) has or may have against such Holder. To the extent the Liquidating Debtor elects to effectuate a set-off, it 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 Liquidating Debtor, as Disbursing Agent, no later than three (3) days prior to the set-off date or the objection shall be waived.

#### ~~DISTRIBUTIONS WITH RESPECT TO DISPUTED CLAIMS~~

~~Within 15 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.~~

#### COMPLIANCE WITH TAX REQUIREMENTS

In connection with the Plan, the 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, 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 which all of the conditions to the Effective Date, specified in section 11.1 of the Plan, have been satisfied.

#### TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

On the Closing Date, all Executory Contracts and Unexpired Leases, which are identified in the Contract of Sale, to which Debtor is a party, if any, shall be deemed assumed and assigned to the Purchaser in accordance with Section 365 of the Bankruptcy Code.

**Assumption Cure Payments.** Except as otherwise agreed to by the parties, at the Closing, the Liquidating Debtor 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 Liquidating Debtor's liability with respect thereto and (ii) the Closing.

To the extent the Debtor believes any counterparty to an Executory Contract or Unexpired Lease is owed a cure, at least fourteen days prior to the hearing on the confirmation of the Plan, the Debtor will serve such parties with a notice of proposed cure, which will provide for a means for objecting to the proposed cure.

**Rejection Claims.** Allowed Claims arising from the rejection of any Executory Contract or Unexpired Lease shall be treated as Unsecured 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 Debtor **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. Any such Proof of Claim not timely filed and served shall be forever barred from assertion and may not be enforced against the Debtor, its successors or their respective properties.

#### **IMPLEMENTATION OF THE PLAN**

**Implementation.** The Debtor/Liquidating Debtor 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 Debtor/Liquidating Debtor 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 Contract of Sale pursuant to section 363 of the Bankruptcy Code as well as approving the sale of the Property as a private sale and shall further provide for the payment of the Allowed E village Lender Secured Claim at Closing of the sale of the Property.

**Sale of Assets.** In order to fund distributions under the Plan, the Debtor/Liquidating Debtor shall consummate the Closing and sale of the Property to 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, other than the usual and customary utility easements, if any, appearing as of record or as preserved under this Plan, with the Secured Creditors' liens to attach to the proceeds of sale in the order of their priority. The Allowed E Village Lender Secured Claim will be paid in full at Closing of the sale of the Property.

**Private Sale.** The Debtor is pursuing the Contract of Sale as a private sale and is not subjecting the Property to any further marketing. Prior to the filing of this Plan, the Debtor solicited offers for the Property. The Debtor and the Purchaser are both sophisticated real estate investors and as all parties are being paid in full, the only party in interest who would benefit from an increased purchase price, would be the Debtor's Interest Holders, who have already agreed to the Contract of Sale. Accordingly, there would no additional benefit to the Debtor's estate to seek out a higher offer.

**Plan Funding.** The Plan shall be funded by the Sales Proceeds, the Debtor's Available Cash on the Closing, including all amounts available in the Debtor's debtor in possession bank account. These funds shall be utilized to satisfy payments due consistent with the terms of the Plan.

**Vesting of Assets.** Except as otherwise provided in the Plan, on the Effective Date all of the Debtor's remaining assets (excluding the Property which shall vest in the Purchaser at Closing), if any, shall vest in the Liquidating Debtor, free and clear of all Liens, Claims and encumbrances. On the Effective Date, any and all Liens, Claims and encumbrances that have not been expressly preserved under the Plan shall be deemed extinguished as of such date. Following the Effective Date, the Liquidating Debtor may operate, buy, use, acquire, and dispose of the property of the Estate and may settle and compromise any claims, interests and causes of action in accordance with the provisions of the Bankruptcy Code and the Bankruptcy Rules.

**Execution of Documents.** (a) On the Effective Date, the Liquidating Debtor, 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 Confirmation Order and any sale order will provide for the Closing to be free and clear of any and all liens claims and encumbrances on the Property.

(b) Pursuant to sections 105, 1141(c) and 1142(b) of the Bankruptcy Code, the Debtor/[Liquidating Debtor](#) 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 that is to be released and satisfied upon the Debtor's 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, and the Confirmation Order shall expressly so provide.

**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 and any payments to be made at Closing, 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 Liquidating Debtor shall retain 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 Debtor as of the Petition Date, or the Estate of the Debtor, and arising under any provision of state or federal law, or any theory of statutory or common law or equity.

Debtor believes that the Plan will result in a 100% distribution to Allowed Claims. As such, Debtor does 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 Debtor as of the Petition Date, or the Estate of the Debtor, and arising under any provision of state or federal law, or any theory of statutory or common law or equity and has determined not to pursue any such claims prior to the conclusion of the sale of the Property. Debtor does not believe any such claims, rights and/or causes of action exist, but reserves all right to pursue any such claims, rights and/or causes of action.

Any recovery received by the Liquidating Debtor through the prosecution, settlement or collection of any such claim, right or cause of action, shall be retained by the Liquidating Debtor following the satisfaction of all other Allowed Claims under the terms of the Plan to be distributed as provided in the Plan to Holders of Interests.

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 Debtor of the existence, validity allowance, or amount of any such claim, document or agreement. The Debtor and the Liquidating Debtor 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~~, mortgage recording tax or similar tax, including any such taxes due on the sale of the Property 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-Confirmation Management ~~and Compensation~~.** The Liquidating Debtor will be managed by GC Realty Advisors LLC until the Debtor is dissolved. The Debtor will continue in existence post-confirmation as the Liquidating Debtor temporarily, provided, however, that the Liquidating Debtor shall take such steps as are necessary to dissolve its existence in accordance with applicable non-bankruptcy law as soon as practicable after all distributions are made and claims objections are prosecuted under this Plan. Under no circumstances shall the Debtor engage in business other than related to the wind down of the Debtor after confirmation of the Plan. [GC Realty Advisors LLC shall not receive any compensation for its management responsibilities after the Closing.](#)

## MISCELLANEOUS PROVISIONS

### MODIFICATION AND REVOCATION OF THE PLAN

The Plan may be altered, amended or modified by the Debtor, 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. 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 Debtor 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 Debtor may revoke or withdraw the Plan at any time prior to entry of the Confirmation Order. If the Plan is revoked or withdrawn 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 Debtor; or (ii) prejudice in any manner the rights of the Debtor or any other party in any further proceedings involving the Debtor or its Estate, except that the Debtor’s exclusive period within which to file a plan of reorganization pursuant to Bankruptcy Code § 1121 will be deemed to have terminated as of the date and time the Plan is revoked or withdrawn .

### 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 Debtor, 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 or Interest, 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 or Interests, 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;
- v) Resolve any motions pending as of the Closing to assume, assume and assign or reject any Executory Contract or Unexpired Lease to which the Debtor is a party or with respect to which the Debtor 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 and Allowed Interests 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 Debtor 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 the Case, 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; and

xvi) Enter an Order of Final Decree concluding the Case.

### **RISK FACTORS**

Although the Debtor believes that it will be able to meet all of the obligations that it is undertaking pursuant to the Plan there can be no assurance that future events will not cause the Debtor to default on one or more of its obligations under the Plan or that the Closing will occur. The sale is an "As Is" sale transaction and the closing is scheduled to take place 15 days after the date of entry of the Confirmation Order, provided no stay of the Confirmation Order is in effect. The only condition precedent to closing is that the Confirmation Order is a final order not subject to any stay. If the Closing does not occur, the Debtor reserves the right to amend the Plan and seek to sell the Property at auction.

### **CONFIRMATION OF THE PLAN**

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

### **OPERATIONAL/FUNDING RISKS**

Since the Plan as proposed calls for all payments to be made to creditors at Closing, or within 30 days thereafter, the operational risks of a Plan of Reorganization that provides for

payments over time are simply not present in this Plan. Thus, the Debtor does not believe the Plan entails any operational or funding risk to creditors except in the event the Closing does not occur.

### **VOTING INSTRUCTIONS**

As noted herein, Claims in Classes 1-4 ~~and Interests in Class 5~~ are not impaired by the Plan. Accordingly, holders of Claims in Classes 1-4 ~~and Interests in Class 5~~ are deemed to have accepted the Plan and votes of holders of Claims in each class will not be solicited. Interests in Class 5 are impaired by the Plan and are entitled to vote to accept or reject the Plan. Debtor is advised that all Interest Holders support Confirmation of the Plan.

### **VOTING INSTRUCTIONS**

Any Interest Holder in Class 5 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. 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, December 12, 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 December 12, 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  
Attn: Lori A. Schwartz, Esq.

(the “Balloting Agent”).

### **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 December 15, 2017 at 10:00 a.m. in the United States Bankruptcy Court for the Southern District of New York, 300 Quarropas Street, White Plains, New York 10601. 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 the deadline fixed by the Court and by delivering a courtesy copy to the Chambers of the presiding judge. Copies of all objections must also be served so that they are received, as required by the Court upon (i) Robinson Brog Leinwand Greene Genovese & Gluck P.C., 875 Third Avenue, 9<sup>th</sup> Fl., New York, New York 10022, Attn.: A. Mitchell Greene, Esq., and (ii) the Office of the United States Trustee, 201 Varick Street, Suite 1006, New York, New York 10014. Any objection that is not timely filed and served as required by any order of this Court, 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 Debtor has proposed the Plan in good faith, (iv) the Debtor has 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 Debtor believes 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 Debtor was to be liquidated under Chapter 7 of the Bankruptcy Code.

~~As the Plan leaves all Classes of Creditors and Interest Holders unimpaired, the best interest test is inapplicable in this case. Regardless, however, the~~The Debtor submits that the Plan is in the best interest of all Creditors and Interest Holders. The Plan provides for payment in full to each Class of Claims with any surplus to be distributed to Interest Holders. Payment is to be made at Closing or within 30 days of the Closing. Accordingly, the Debtor believes that the Plan provides all Creditors with at least as much as they would be entitled to receive in a Chapter 7 liquidation and provides a distribution to Interest Holders.

**Liquidation Analysis.** The Plan provides for payment in full to each class of claims, with interest from the Petition Date. Payment is to be made at Closing or within 30 days of the Closing. Accordingly, the Debtor believes that the Plan provides Creditors with at least as much 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 Debtor unless such liquidation is set forth in the Plan. The Plan calls for the sale of the Property, distributions to Creditors from the Sales Proceeds and the dissolution of the Debtor. The \$8,000,000 purchase price under the Contract is sufficient to satisfy all Allowed Claims in full in accordance with their treatment under the Plan with a surplus available for distribution to equity holders. Based on the Summary of the Plan, the Plan meets the feasibility requirements of the Bankruptcy Code.

#### EFFECT OF CONFIRMATION

##### INJUNCTION

**Except (i) as otherwise provided in the Plan or (ii) in any Final Order, all persons who have held, hold, or may hold Claims against, or Interests in, the Debtor that arose before or were held as of the Closing, are permanently enjoined, on and after the Closing, from the commencement or continuation of any action, the employment of process, from taking any act to collect, enforce, attach, recover or offset against such claim and taking any act to create, perfect or enforce any lien or encumbrance against property of the Estate retained by the Liquidating Debtor or distributed to Creditors under this Plan.**

##### RELEASE

**Except as otherwise provided in the Plan, upon the Closing, 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 Debtor, on the one hand, and each Creditor and Interest Holders, 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 Debtor, its Creditors or Interest Holders ever had or now have through the Closing in connection with their Claim or Interests (including, without limitation, any claims the Debtor may assert on its 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 Debtor absent bankruptcy, any claims based on the conduct of the Debtor's business 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.**

#### **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 Debtor, the Interest Holders 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 (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 this case or 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, 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 Debtor under Chapter 7 of the Bankruptcy Code; (b) the formulation, promulgation and confirmation of an alternative plan of reorganization involving a public auction sale of the Property; or (c) dismissal of the Debtor’s case.

The Plan proposes payment in full to all Classes of Claims and therefore the Plan provides a recovery to all creditors equal to or greater than in a Chapter 7 liquidation.

### **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 Debtor has not requested any ruling from the Internal Revenue Service or any other taxing authority with respect to such matters nor will the Debtor, 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 Debtor offers 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 Holder 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 Debtor's counsel, Robinson Brog Leinwand Greene Genovese & Gluck P.C., 875 Third Avenue, 9<sup>th</sup> Fl., New York, New York 10022, Attn.: A. Mitchell Greene, Esq. (212) 603-6300.

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 300 Quarropas Street, White Plains, 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 Debtor believes the Plan is in the best interests of all Creditors.

**DATED:** New York, New York  
November ~~16~~, 17, 2017

**E. 10<sup>TH</sup> STREET HOLDINGS LLC**  
**By: GC REALTY ADVISORS, LLC AS MANAGER**

By :/s/ David Goldwasser  
**DAVID GOLDWASSER**  
**AUTHORIZED SIGNATORY**  
**GC REALTY ADVISORS, LLC**

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By: /s/ A. Mitchell Greene  
**A. Mitchell Greene**



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Format changed	0
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