

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re

Chapter 11

53 STANHOPE LLC, *et al.*,¹

Case no. 19-23013 (RDD)
Jointly Administered

Debtors.
-----x

DISCLOSURE STATEMENT

THIS DISCLOSURE STATEMENT IS BEING SUBMITTED TO ALL CREDITORS AND PARTIES IN INTEREST OF 53 STANHOPE LLC 55 STANHOPE LLC; 119 ROGERS LLC, 127 ROGERS LLC, 325 FRANKLIN LLC, 618 LAFAYETTE LLC, C & YSW LLC, NATZLIACH LLC, 92 SOUTH 4TH ST LLC, 834 METROPOLITAN AVENUE LLC, 1125-1133 GREENE AVE LLC, APC HOLDING 1 LLC, D&W REAL ESTATE SPRING LLC, MESEROLE AND LORIMER LLC, 106 KINGSTON LLC, EIGHTEEN HOMES LLC, 1213 JEFFERSON LLC, AND 167 HART LLC (EACH A DEBTOR, AND COLLECTIVELY, THE “DEBTORS”).

THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY AFFECT CREDITORS' DECISIONS TO SUPPORT OR OPPOSE THE PLAN OF REORGANIZATION, A COPY OF WHICH IS ANNEXED HERETO AS EXHIBIT A.

THESE CASES HAVE NOT BEEN SUBSTANTIVELY CONSOLIDATED.

ALL CREDITORS ARE URGED TO READ THIS DISCLOSURE STATEMENT CAREFULLY. ALL CAPITALIZED TERMS CONTAINED IN THIS DISCLOSURE STATEMENT SHALL HAVE THE SAME MEANING AS CAPITALIZED TERMS CONTAINED IN THE PLAN OF REORGANIZATION.

COURT APPROVAL OF THE DISCLOSURE STATEMENT DOES NOT CONSTITUTE COURT APPROVAL OF THE TERMS OF THE PLAN.

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor's taxpayer identification number are as follows: 53 Stanhope LLC (4645); 55 Stanhope LLC (4070); 119 Rogers LLC (1877); 127 Rogers LLC (3901); 325 Franklin LLC (5913); 618 Lafayette LLC (5851); C & YSW, LLC (2474); Natzliach LLC (8821); 92 South 4th St LLC (2570); 834 Metropolitan Avenue LLC (7514); 1125-1133 Greene Ave LLC (0095); APC Holding 1 LLC (0290); D&W Real Estate Spring LLC (4591); Meserole and Lorimer LLC (8197); 106 Kingston LLC (2673); Eighteen Homes LLC (8947); 1213 Jefferson LLC (4704); 167 Hart LLC (1155).

INTRODUCTION

1. 53 Stanhope LLC 55 Stanhope LLC; 119 Rogers LLC, 127 Rogers LLC, 325 Franklin LLC, 618 Lafayette LLC, C & YSW, LLC, Natzliach LLC, 92 South 4th St LLC, 834 Metropolitan Avenue LLC, 1125-1133 Greene Ave LLC, APC Holding 1 LLC, D&W Real Estate Spring LLC, Meserole And Lorimer LLC, 106 Kingston LLC, Eighteen Homes LLC, 1213 Jefferson LLC, And 167 Hart LLC (each a “Debtor”, and collectively, the “Debtors”) submit this joint disclosure statement ("Disclosure Statement") in connection with their joint plan of reorganization ("Plan") under Chapter 11 of the United States Bankruptcy Code. A copy of the Plan is attached hereto as Exhibit A. All Creditors are urged to review the Plan, in addition to reviewing this Disclosure Statement. All capitalized terms used but not defined shall have the meaning set forth in the Plan.

2. This Disclosure Statement is not intended to replace a review and analysis of the Plan. Rather, it is submitted as a review of the Plan in an effort to explain the Plan. To the extent a Creditor has questions, the Debtors urge you to contact Debtors’ counsel and every effort will be made to assist you.

3. **THE DEBTORS WILL NOT BE SOLICITING VOTES ON THE PLAN BECAUSE ALL CREDITORS ARE DEEMED UNIMPAIRED UNDER THE PLAN.**

4. On _____, 2019, after notice and a hearing, the Bankruptcy Court entered an order approving this Disclosure Statement as containing information of a kind and in sufficient detail in light of the nature and history of the Debtors and the condition of the Debtors’ books and records, to enable Creditors to make an informed judgment on whether to object to the Plan.

5. THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN SUPPLIED BY THE DEBTORS. THE DEBTORS' BOOKS AND RECORDS HAVE BEEN USED TO PROVIDE THE INFORMATION CONCERNING THE DEBTORS' FINANCIAL CONDITION AS SET FORTH IN THE DISCLOSURE STATEMENT. BASED UPON THE INFORMATION MADE AVAILABLE, DEBTORS' COUNSEL HAS NO INFORMATION TO INDICATE THAT THE INFORMATION DISCLOSED HEREIN IS INACCURATE. NEITHER THE DEBTORS NOR DEBTORS' COUNSEL, HOWEVER, IS ABLE TO STATE DEFINITELY THAT THERE IS NO INACCURACY HEREIN OR THAT FUTURE EVENTS MAY NOT RENDER THE INFORMATION CONTAINED HEREIN INACCURATE.

6. The Bankruptcy Court has entered an Order fixing _____, 2019, at _____ a.m., at the United States Bankruptcy Court, 300 Quarropas Street, White Plains, New York 10601-4140, as the date, time and place for the hearing on confirmation of the Plan and fixing _____, 2019, as the last date for the filing and serving of any objections to confirmation of the Plan. A copy of any objection to confirmation of the Plan must be delivered to the Court's chambers on or before such date.

BACKGROUND

7. On May 20, 2019, each of the Debtors filed a Chapter 11 petition under Title 11 of the United States Code, 11 U.S.C. 101 et seq. (the "Bankruptcy Code"), except 167 Hart LLC which filed its petition on May 21, 2019.

8. These cases involve loans made by Signature Bank to the Debtors in the form of 14 separate notes and mortgages covering 31 properties dating back to September 2012.

All of the loans were assigned to Brooklyn Lender LLC (“Brooklyn Lender” or “Mortgagee”) on or about May 17, 2017. At that time, each Debtor was current on its payment obligations and not otherwise in default. The principal amount owed on the loans total at the time of transfer to Brooklyn Lender was \$37,283,614.25, as follows:

Debtor	Property	Value	Mortgage Principal
53 Stanhope LLC 325 Franklin LLC (Joint Owners)	53 Stanhope Street Brooklyn NY 325 Franklin Avenue, Brooklyn NY	\$3,500,000	\$2,664,019
119 Rogers LLC	119 Rogers Avenue, Brooklyn, NY	\$3,000,000	\$2,077,307
127 Rogers LLC	127 Rogers Avenue, Brooklyn, NY	\$3,500,000	\$2,121,334
167 Hart LLC	167 Hart Street, Brooklyn, NY	\$2,100,000	\$791,396
106 Kingston LLC	106 Kingston Ave Brooklyn, NY	\$2,100,000	\$730,949
618 Lafayette LLC	618 Lafayette Ave Brooklyn, New York	\$1,900,000	\$779,122
C&YSW, LLC Natliach LLC (Joint Owners)	129 South 2nd Street, Brooklyn, NY 107 South 3rd Street Brooklyn, NY 109 South 3rd Street Brooklyn NY	\$9,000,000	\$4,943,431
Eighteen Homes LLC	263 18th Street, Brooklyn, NY	\$1,800,000	\$823,000
1213 Jefferson LLC	1213 Jefferson Avenue, Brooklyn, NY	\$1,500,000	\$898,840
92 South 4 th LLC 834 Metropolitan LLC (Joint Owners)	92 South 4th Street, Brooklyn, NY 834 Metropolitan Ave, Brooklyn, NY	\$4,500,000	\$2,236,419
1125-1131 Greene Avenue, LLC	1125 Greene Avenue, Brooklyn, NY 1127 Greene Avenue, Brooklyn, NY 1129 Greene Avenue, Brooklyn, NY 1131 Greene Avenue, Brooklyn, NY 1133 Greene Avenue, Brooklyn, NY	\$6,000,000	\$3,025,651
APC Holding 1 LLC	568 Willoughby Avenue, Brooklyn, NY	\$3,500,000	\$1,256,364
D&W Real Estate Spring LLC Meserole & Lorimer LLC (Joint Owners)	130 South 2nd Street, Brooklyn, NY 318 Bedford A venue, Brooklyn, NY 740 Driggs Avenue, Brooklyn, NY 144 Huntington Street, Brooklyn, NY 68 Carroll Street, Brooklyn, NY 342 Rodney Street, Brooklyn, NY 178 Meserole Street, Brooklyn NY 180 Meserole Street, Brooklyn NY 182 Meserole Street, Brooklyn NY 440 Lorimer Street, Brooklyn NY	\$26,000,000	\$12,897,588
55 Stanhope, LLC	55 Stanhope Street, Brooklyn, NY	\$5,000,000	\$2,038,183.88

9. Brooklyn Lender LLC was created on May 9, 2017, immediately before it acquired the loans. Upon information and belief, Brooklyn Lender is affiliated with Maverick Real Estate Partners LLC. According to its website, Maverick is a private equity fund manager that acquires commercial mortgages secured by real estate in New York City. Upon information and belief, Maverick, Brooklyn Lender and or its affiliated entities' business model involves predatory purchases of loans and mortgages for the purpose of defaulting borrowers on performing loans.²

10. Apparently, Maverick discovered the Federal Court lawsuit against Mr. Strulowitz and predatorially targeted the loans on the Debtors' Properties. Maverick then offered to purchase such loans from Bank United and Signature Bank to implement a scheme to effectuate technical defaults on the loans. Correspondence between Maverick and various banks, including Bank United, indicates that Maverick requested that the banks issue non-monetary technical defaults on the Strulovitch loans and then assign them as defaulted loans.

11. Evidently, Signature refused to default the Debtors, no doubt because the loans were all performing based on the Debtor's excellent payment history. As soon as Brooklyn Lender acquired the loans, it sent its own default notices primarily alleging non-monetary defaults arising from unproven allegations in the now dismissed Federal Court lawsuit that Chaskiel Strulovitch, as the potential guarantor of the mortgages, submitted potentially misleading financial statements with the Debtors' loan applications. Brooklyn Lender claims that due to those alleged defaults, it is entitled to 24% default interest retroactive to the loans'

² See, e.g., *Lenders in glass houses? Judge rules Maverick can't foreclose on Chelsea property because it violated loan agreement*, The Real Deal, May 20, 2019.

origination dates, plus other related charges, for a total of about \$35 million more than the principal amount due. This, notwithstanding the fact that the loans are essentially non-recourse with only limited guaranties, so the value of Mr. Strulovitch's stake in the properties listed was not particularly important.

12. In summary, even though there was no monetary default, Maverick sent default notices based on mere allegations made against Mr. Strulovitch in the District Court for the Eastern District of New York a month earlier on April 10, 2017, by various Israeli investors alleging that they were entitled to ownership interests in certain properties controlled by Mr. Strulovitch. Those certain properties included several owned by the Debtors and others listed on the financial statement submitted by Strulovitch in connection with his limited guarantee for the Debtors' loan applications.

13. The Federal Court lawsuit was dismissed in a 47-page Memorandum and Order dated November 2, 2017 (Amon, J.) where the District Court either dismissed or referred to arbitration plaintiffs' federal securities' claim and declined to retain jurisdiction over plaintiffs' remaining state law claims. The plaintiffs appealed, but then withdrew the appeal. Although the state law claims were dismissed without prejudice for re-filing in state court, no such state claims were filed. Nor have the plaintiffs proceeded with the arbitration of their alleged Federal claims. The Brooklyn Lender's foreclosure case, however, proceeds.

14. Besides the misrepresentations alleged as an event of default, Brooklyn Lender also declared each loan in default for various alleged open water and sewer bills and HPD and DOB violations, as an additional basis for 24% interest.

15. The principal amount due to Signature was and remains about \$36,000,000. Brooklyn Lender now seeks more than \$72,000,000, claiming default interest, late fees, and legal fees, even though there are no payment defaults. The Debtors respectfully submit that contrary to Brooklyn Lender's insinuations of Debtor misconduct, Brooklyn lender is the true party with unclean hands.

16. On October 13, 2017, Brooklyn Lender commenced foreclosure actions and the appointment of a receiver, based on unproven allegations in the Federal Court lawsuit that was dismissed two weeks later. This, even though the unproven allegations were not "material" for purposes of repayment. Indeed, SturLOWITZ' limited non-recourse obligation did not even make him a guarantor of the notes under the Signature loan documents. In summary, even the misrepresentations alleged would not constitute an event of default under the loan documents.

17. Similarly, the violations that Brooklyn Lender alleged in its foreclosure complaint by the City of New York Environmental Control Board ("ECB") and Housing Preservation and Development ("HPD") were relatively trivial. The ECB violations were paid and the HPD violations dismissed. The alleged monetary penalties totaled \$700.00.

18. Unfortunately, New York law does little to protect a borrower from a bank assigning a loan to a predatory secondary market purchaser seeking to declare a technical default to effectuate a forfeiture or windfall profits. In the City of New York where minor building violations are common and often time consuming, expensive and difficult to remove, the consequences of a loan assignment to a predator can be devastating for owners and general unsecured creditors. The legal fees alone can cripple a borrower.

19. The Debtors filed these cases to obtain a determination that the default notices were defective, that the loans were not in default, and/or that any such default were so non-material or remote in time as to be unenforceable in law and equity. As noted in footnote 2 above, the Debtors would not be the first to defeat Maverick's attempt to capture its prey. Alternatively, the Debtors seek to effectuate a cure of any default under a Chapter 11 plan pursuant to section 1124(2)(A) incorporating section 365(b)(2)(D), which does not require the satisfaction of a penalty rate relating to the failure to perform a nonmonetary obligation.

20. The Debtors have obtained exit financing, proof of which is annexed as Exhibit A to the Plan, to pay all creditors the Allowed Amounts their Claims under the Plan, including Brooklyn Lender at the non-default contract rate.

21. In the meantime, the Properties, rental income is being used to pay debt service to Brooklyn Lender and to preserve and protect the Properties.

DEBTORS' PLAN OF REORGANIZATION

CLASSIFICATION AND TREATMENT OF CLAIMS

Class 1

22. **Classification** – New York City real estate tax and other Liens. Annexed to the Plan as Exhibit B is breakdown of the amount due to Class 1 by Debtor. The Debtors estimate that the amount due by all Debtors is approximately \$209,866.

23. **Treatment** -- Payment in Cash on the Effective Date, of Allowed Amount of each such Claim plus interest at the applicable statutory rate as it accrues from the Petition Date through the date of payment.

24. **Voting** – Unimpaired and deemed to accept the Plan.

Class 2

25. **Classification** – Brooklyn Lender LLC. Annexed to the Plan as Exhibit B is breakdown of the amount due to Brooklyn Lender LLC by Debtor. The Debtors estimate that the amount due by all Debtors is \$37,625,717.

26. **Treatment** – On the Effective Date, pursuant to section 1124 of the Bankruptcy Code, each Debtor shall cure pre-petition and post-petition defaults, if any, and then pay the outstanding amounts due on the date of payment.

27. **Voting** – Unimpaired and deemed to accept the Plan..

Class 3

28. **Classification** – Priority Claims under Sections 507(a)(3),(4),(5),(6), and (7) of the Bankruptcy Code. Annexed to the Plan as Exhibit B is a breakdown of such Priority Claims by Debtor. The Debtors estimate that the amount due by all Debtors is approximately \$0.

29. **Treatment** – Payment in Cash on the Effective Date, of Allowed Amount of each such Claim plus interest at the applicable statutory rate as it accrues from the Petition Date through the date of payment.

30. **Voting** -- Unimpaired and deemed to accept the Plan..

Class 4

31. **Classification** – General Unsecured Claims. Annexed to the Plan as Exhibit B is a breakdown of General Unsecured Claims by Debtor. The Debtors estimate that the amount due by all Debtors is approximately \$4,785,330.

32. **Treatment** – Payment in Cash on the Effective Date, of Allowed Amount of each such Claim plus interest at the Legal Rate as it accrues from the Petition Date through the date of payment. A Claimant may elect to receive Interests in a Post-Confirmation Debtor instead of Cash payment. Each Claimant shall be entitled to elect to take Interests in the post-confirmation Debtor against whom the Claimant holds an Allowed Claim. Annexed to the Plan as Exhibit C is a spreadsheet indicating the projected percentage membership Interest allocated by Debtor per \$1,000 of Allowed Class 4 Claims. The value of such Interest a Claimant may elect to receive is approximately the same as the Claimant’s Claim. The calculation of the value of the Interests to be disbursed is based on the Post-Confirmation Debtor’s net equity in its Property. The net equity is calculated by subtracting the Debtor’s Post-Confirmation mortgage from the Property value. For example, if a Post-Confirmation Debtor owns a \$500,000 property encumbered by a \$400,000 Post-Confirmation mortgage, such Debtor will have net equity of \$100,000 in the Property. If a Claimant holds a \$1,000 Allowed Claim, the Claimant shall be entitled to Interests in the Debtor equal to \$1,000 of net equity, which, in this example would equate to a 1% membership interest representing 1% of the Debtor’s net equity. The Debtors believe that Claimants with Claims totaling at least \$4,331,000 will elect to receive Interests instead of Cash.

33. **Voting** – . Unimpaired and deemed to accept the Plan..

Class 5

34. **Classification** – Interests Holders.

35. **Treatment** – On the Effective Date, Interests will be cancelled and Interest Holders shall be entitled to new interests in the New Owners (formed as a condition to the Exit Financing) under the same terms as their exiting Interests in the Debtors.

36. **Voting** – Impaired and entitled to vote to accept or reject the Plan.

UNCLASSIFIED PRIORITY TAX CLAIMS

37. Annexed to the Plan as Exhibit B is breakdown of Priority tax Claims under Sections 507(a)(8) of the Bankruptcy Code by Debtor. The Debtors estimate that the amount due by all Debtors is approximately total approximately \$0. The treatment of such Claims, if any, shall be payment in Cash on the Effective Date, of Allowed Amount of each such Claim plus interest at the applicable statutory rate as it accrues from the Petition Date through the date of payment.

ADMINISTRATIVE EXPENSES

38. Allowed Administrative Expense Claims, including professional fees, shall be paid in full in Cash on the Effective Date, or the date such Administrative Expense Claim becomes Allowed or as soon as practicable thereafter, except to the extent that the holder of an Allowed Administrative Expense Claim agrees to a different treatment; provided however, that Allowed Administrative Expense Claims representing obligations incurred in the ordinary course of business or assumed by each Debtor shall be paid in full or performed by such Debtor in the ordinary course of business or pursuant to the terms and conditions of the particular transaction. Annexed to the Plan as Exhibit B is breakdown of known unpaid Administrative Expense Claims by Debtor. The Debtors estimate that the amount due through the entry of a

final decree in these cases is \$255,000, plus any litigation costs. Professional fees shall be paid pursuant to order of the Bankruptcy Court.

39. Any outstanding U.S. Trustee fees and any statutory interest thereon shall be paid in full in Cash on the Effective Date. Thereafter, United States Trustee fees and any statutory interest thereon shall be paid until entry of final decree or until Bankruptcy Case is converted or dismissed. The Debtors shall file quarterly post-confirmation operating reports.

MEANS FOR IMPLEMENTATION

40. **Source of Funds** – Effective Date payments under the Plan will be paid from the Exit Financing, the terms of which are annexed to the Plan as Exhibit A. Under the Exit Financing each Debtor must transfer its assets including its Property to the New Owners, which shall assume responsibility for repayment of the Exit Financing. The transfer of each Property to the New Owners under the Plan shall be free and clear of all liens, claims and encumbrances, with any such liens, claims and encumbrances to attach to Exit Financing, and to be disbursed under the Plan, provided, however, that the Mortgagee shall assign its mortgages to the holder of the Exit Financing in connection with the transfer of the Properties under the Plan.

41. **Vesting** -- Except as otherwise provided in the Plan, on the Effective Date all assets and properties of the Estate of each Debtor shall vest in such Debtor free and clear of all Liens, Claims and encumbrances and any and all Liens, Claims and encumbrances that have not been expressly preserved under the Plan shall be deemed extinguished as of such date.

42. **Execution of Documents** -- Each Debtor shall be authorized to execute, in the name of any necessary party, any notice of satisfaction, release or discharge of any Lien,

Claim or encumbrance 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.

43. **Recording Documents** -- Each and every federal, state and local governmental agency or department shall be authorized 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, including, but not limited to any and all notices of satisfaction, release or discharge of any Lien, Claim or encumbrance not expressly preserved by the Plan, and the Confirmation Order.

44. **Preservation of Claims** -- All rights pursuant to Sections 502, 544, 545 and 546 of the Bankruptcy Code, all preference claims pursuant to Section 547 of the Bankruptcy Code, all fraudulent transfer claim pursuant to Section 548 of the Bankruptcy Code, and all claims relating to post-petition transactions under Section 549 of the Bankruptcy Code shall be preserved for the benefit of each Debtor's estate, provided, however, that such Debtor shall have sole authority for prosecuting any such claims.

45. **Stamp Tax** -- Under the Plan, pursuant to Bankruptcy Code § 1146(c), (a) the issuance, transfer or exchange of any securities, instruments or documents, (b) the creation of any other Lien, mortgage, deed of trust or other security interest, (c) the making or assignment of any lease or sublease or the making or delivery of any deed or other instrument of transfer under, pursuant to, in furtherance of, or in connection with, the Plan, including, without limitation, any deeds, bills of sale or assignments executed in connection with the transfer of each Property to the New Owners and any other transaction contemplated under the Plan or the re-vesting, transfer or sale of any real or personal property of the Debtors pursuant to, in implementation of,

or as contemplated in the Plan, and (d) the issuance, renewal, modification or securing of indebtedness by such means, and the making, delivery or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including, without limitation, the Confirmation Order, shall not be subject any applicable document recording tax, stamp tax, conveyance fee or other similar tax, mortgage tax, real estate transfer tax, or other similar tax or governmental assessment.

46. **Release of Liens** – Except as otherwise provided for in the Plan, (a) each holder of a Secured Claim, shall on the Effective Date (x) turn over and release to the subject Debtor any and all Collateral that secures or purportedly secures such Claim, as pertains to such Property or such Lien shall automatically, and without further action by such Debtor be deemed released, and (y) execute such documents and instruments as such Debtor requests to evidence such Claim holder's release of such property or Lien.

LIQUIDATION ANALYSIS

47. In a liquidation under Chapter 7 of the Bankruptcy Code, each Debtor's assets would be sold and the sale proceeds distributed to creditors in their order of priority. The Debtors believe that the Plan provides at least an equivalent return for each Debtor's estate as could be achieved in a liquidation. As set forth on Exhibit B hereto, each Debtor projects that in a Chapter 7 liquidation, the return to such Debtor's estate would be reduced by an additional layer of administration legal expenses and commissions, which the Debtors estimates would total at least 15% of the sale proceeds.

LITIGATION ANALYSIS

48. The Debtors are aware of no litigation with third parties, except (a) the Mortgagee's foreclosure which will be moot upon payment under the Plan and (b) motion to reopen a dismissed Federal Court action interposed by certain alleged Interest Holders. Since the Plan leaves all creditors unimpaired, the Debtors have no avoidance actions to pursue.

PAYMENT OF CLAIMS AND OBJECTIONS TO CLAIMS

49. Each Debtor shall be disbursing agent under its Plan without a bond. The Debtors reserve the right to file objections to Claims in the event grounds exist to object to particular Claims, for a period of 60 days after the Effective Date. On the initial distribution date and on each distribution date as may thereafter be necessary, the Debtors shall maintain a Disputed Claim Reserve for the holders of Disputed Claims as of such date in a sum not less than the amount required to pay each such Disputed Claim under the Plan if such Claim was Allowed in full. To the extent that a Disputed Claim becomes an Allowed Claim, the distributions reserved for such Allowed Claim, shall be released from the Disputed Claim Reserve and paid to the holder of such Allowed Claim. After all the amounts of all Disputed Claims have been fixed, the balance of the Disputed Claim Reserve shall thereafter be paid in accordance with the Plan.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

50. Tenant leases shall be deemed assumed under the Plan and assigned to the New Owners. Except for any other Executory Contracts that a Debtor assumes before the Confirmation Date, all other Executory Contracts shall be rejected under the Plan on the Effective Date pursuant to sections 365 and 1123 of the Bankruptcy Code. In the event of a rejection which results in damages, a proof of Claim for such damages must be filed by the non-

Debtor party with the Court on or before sixty (60) days after the Effective Date. All Allowed Claims arising from the rejection of any Executory Contract shall be treated as Unsecured Claims. Any Claim arising from the rejection of any Executory Contract not filed with the Court within the time period provided herein shall be deemed discharged and shall not be entitled to participate in any distribution under the Plan.

MANAGEMENT OF THE DEBTORS

51. Each Debtor is managed by David Goldwasser, as authorized signatory of GC Realty Advisors, LLC, as Vice President. Post-confirmation management shall remain unchanged.

TAX CONSEQUENCES

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

53. THE DEBTORS DO NOT PURPORT, THROUGH THIS DISCLOSURE STATEMENT, TO ADVISE CREDITORS OR INTEREST HOLDERS REGARDING THE TAX CONSEQUENCES OF THE TREATMENT OF THE CREDITORS AND INTEREST HOLDERS UNDER THE PLAN. CREDITORS AND INTEREST HOLDERS SHOULD SEEK INDEPENDENT COUNSEL CONCERNING THE TAX CONSEQUENCES OF THEIR TREATMENT UNDER THE PLAN.

VOTING PROCEDURES AND REQUIREMENTS

54. Since all creditor classes are unimpaired, there will be no voting on the Plan by Creditors. Interest Holders are impaired and are entitled to vote to accept or reject the Plan. These cases have not been substantively consolidated. Each Interest Holder may vote to accept the Plan with respect to each Debtor in which it holds an Interest.

55. A ballot for voting to accept or reject the Plan is enclosed with this Disclosure Statement. Interest Holders must specify on the ballot the Debtor in which Interests are held. Each Interest Holder is entitled to execute the ballot, and return it to the undersigned to be considered for voting purposes with respect to such Debtor. The Bankruptcy Court has directed that to be counted for voting purposes, ballots for the acceptance or rejection of the Plan must be received no later than _____, 2019 at 5:00 p.m. (EST) (the “Voting Deadline”) at the following address:

Backenroth Frankel & Krinsky, LLP
800 Third Avenue
New York, New York 10022
Attn: Mark A. Frankel, Esq.

56. Each Interest Holder impaired under the Plan is entitled to vote, if either (i) its Interest has been scheduled by the Debtor, or (ii) it has filed a proof of Claim on account of its Interest on or before the last date set by the Bankruptcy Court for such filings.

57. Class 5 Interest Holders are impaired under the Plan and are eligible, subject to the limitations set forth above, to vote to accept or reject the Plan with respect to each Debtor in which it holds an Interest.

58. Any Interest as to which an objection has been filed (and such objection is still pending) is not entitled to vote, pursuant to Section 1126(a) of the Bankruptcy Code, unless the Bankruptcy Court temporarily allows the interest, pursuant to Bankruptcy Rule 3018 for the purpose of accepting or rejecting the Plan, upon motion by an Interest Holder subject to an objection. Such motion must be heard and determined by the Bankruptcy Court prior to the voting deadline in order for any such Interest Holder's vote to be counted.

59. An Interest Holder's vote may be disregarded pursuant to Section 1126(e) of the Bankruptcy Code if the Bankruptcy Court determines that the Creditor's acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

60. Section 1126(d) of the Bankruptcy Code defines acceptance of a Plan by a class of Interests as acceptance by holders of two-thirds in amount of the allowed Interests of such class held by holders of such interests.

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61. In the event that an impaired class of Interests does not accept the Plan, the Bankruptcy Court may still confirm the Plan if, as to each impaired class which has not accepted the Plan, the Plan "does not discriminate unfairly" and is "fair and equitable."

62. A plan is fair and equitable with respect to a nonaccepting class of Interests in two instances. First, a plan is fair and equitable with respect to a nonaccepting class of Interests if the plan provides that each Interest Holder will receive or retain property of a value, as of the effective date of the plan, equal to the greatest of: (1) the allowed amount of any fixed liquidation preference to which the interest holder is entitled, (2) any fixed redemption

price to which the interest holder is entitled or (3) the value of such interest. Second, a plan is fair and equitable with respect to a nonaccepting class of interests if the plan provides that the holder of any interest that is junior to the interests of such class will not receive or retain any property under the plan.

63. In the event one or more classes rejects the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired class of Interests.

CONFIRMATION OF THE PLAN

64. Section 1128(a) of the Bankruptcy Code requires that the Bankruptcy Court, after notice, hold a hearing on confirmation of the Plan (the "Confirmation Hearing"). Section 1128(b) provides that any party in interest may object to confirmation of the Plan.

65. By order of the Bankruptcy Court dated _____, 2019, the Confirmation Hearing has been scheduled for _____, 2019, at ____ .m., in the Honorable Robert D. Drain's Courtroom, United States Bankruptcy Court, 300 Quarropas Street, White Plains, NY 10601-5008. 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 or any adjourned Confirmation Hearing. Any objection to confirmation of the Plan must be made in writing and filed with the Bankruptcy Court with proof of service and served upon the following on or before _____, 2019 at 5:00 p.m.: Backenroth Frankel & Krinsky, LLP, 800 Third Avenue, New York, New York 10022, Attn: Mark A. Frankel, Esq. Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014.

66. At the Confirmation Hearing, the Bankruptcy Court will determine with respect to each Debtor whether the requirements of Section 1129 of the Bankruptcy Code have been satisfied to enter an order confirming the Plan. For each Debtor, the applicable requirements are as follows: (a) The Plan complies with the applicable provisions of the Bankruptcy Code, (b) the Debtor has complied with the applicable provisions of the Bankruptcy Code; (c) the Plan has been proposed in good faith and not by any means forbidden by law, (d) any payment made or promised or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in, or in connection with, the Bankruptcy Case, or in connection with the Plan and incident to the Bankruptcy Case, has been disclosed to the Bankruptcy Court, and any such payment made before the confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable, (e) the Debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Debtor, an affiliate of the Debtor participating in a Plan with the Debtor, or a successor to the Debtor under the Plan, and the appointment to, or continuance in, such office of such individual, is consistent with the interests of Creditors and equity security holders and with public policy, and the Debtor has disclosed the identity of any insider that will be employed or retained by the reorganized Debtor, and the nature of any compensation for such insider, (f) with respect to each class of impaired Claims, either each holder of a Claim or interest of such class has accepted the Plan, or will receive or retain under the Plan on account of such Claim or interest property of a value, as of the Effective Date of the Plan, an amount that is not less than the amount that such holder would so receive or retain if the Debtor was liquidated on such date under Chapter 7 of the Bankruptcy Code, (g) each class of Claims or interests has

either accepted the Plan or is not impaired under the Plan, (h) except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Expenses and priority Claims will be paid in full on the Effective Date, (i) at least one class of impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim of such class, and (j) confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization of the Debtor or any successors to the Debtor under the Plan unless such liquidation or reorganization is proposed in the Plan.

67. The Debtors believe that the Plan satisfies all of the statutory requirements of Chapter 11 of the Bankruptcy Code, that each Debtor has complied or will have complied with all of the requirements of Chapter 11, and that the proposals contained in the Plan are made in good faith.

CONCLUSION

The Debtors urge the Debtors' Creditors to support the Plan.

Dated: New York, New York
July 31, 2019

53 STANHOPE LLC ET AL.
Debtors and Debtors in Possession

By: s/ David Goldwasser, as authorized
signatory of GC Realty Advisors, LLC, as Vice
President

BACKENROTH FRANKEL & KRINSKY, LLP
Attorneys for Debtors

By: s/Mark Frankel
800 Third Avenue
New York, New York 10022
(212) 593-1110

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----x
In re

53 STANHOPE LLC, *et al.*,³

Debtors.
-----x

Chapter 11

Case no. 19-23013 (RDD)
Jointly Administered

PLAN OF REORGANIZATION

Mark A. Frankel
BACKENROTH FRANKEL & KRINSKY, LLP
800 Third Avenue
New York, New York 10022
Telephone: (212) 593-1100
Facsimile: (212) 644-0544

ATTORNEYS FOR THE DEBTORS

³ The Debtors in these chapter 11 cases and the last four digits of each Debtor's taxpayer identification number are as follows: 53 Stanhope LLC (4645); 55 Stanhope LLC (4070); 119 Rogers LLC (1877); 127 Rogers LLC (3901); 325 Franklin LLC (5913); 618 Lafayette LLC (5851); C & YSW, LLC (2474); Natzliach LLC (8821); 92 South 4th St LLC (2570); 834 Metropolitan Avenue LLC (7514); 1125-1133 Greene Ave LLC (0095); APC Holding 1 LLC (0290); D&W Real Estate Spring LLC (4591); Meserole and Lorimer LLC (8197); 106 Kingston LLC (2673); Eighteen Homes LLC (8947); 1213 Jefferson LLC (4704); 167 Hart LLC (1155).

INTRODUCTION

53 Stanhope LLC 55 Stanhope LLC; 119 Rogers LLC, 127 Rogers LLC, 325 Franklin LLC, 618 Lafayette LLC, C & Ysw Llc, Natzliach LLC, 92 South 4th St LLC, 834 Metropolitan Avenue LLC, 1125-1133 Greene Ave LLC, APC Holding 1 LLC, D&W Real Estate Spring LLC, Meserole And Lorimer LLC, 106 Kingston LLC, Eighteen Homes LLC, 1213 Jefferson LLC, And 167 Hart LLC (each a “Debtor”, and collectively, the “Debtors”) submit this joint plan of reorganization ("Plan") under Chapter 11 of the United States Bankruptcy Code. UPON CONFIRMATION, THIS PLAN SHALL BE A BINDING OBLIGATION BETWEEN AND AMONG EACH DEBTOR AND EACH DEBTOR'S CREDITORS (AS SUCH TERMS ARE DEFINED BELOW).

DEFINITIONS

As used in this Plan, the following terms will have the meanings hereinafter set forth:

1. "Administrative Expense" Any cost or expense of administration of the Bankruptcy Case entitled to priority under section 507(a)(1) and allowed under section 503(b) of the Bankruptcy Code.
2. “Administrative Expense Claim" shall mean a Claim for payment of an Administrative Expense.
3. "Allowance Date" shall mean the date which a Disputed Claim becomes an Allowed Claim by Final Order.

4. "Allowed Amount" shall mean the amount of a Claim: (a) to the extent that a Proof of Claim is filed timely or, with leave of the Court late filed as to which (i) no party in interest files an objection or (ii) which is allowed by a Final Order; or (b) which is listed on a Debtor's schedules or any amendments thereto but which is not listed therein as disputed, unliquidated or contingent.

5. "Allowed Claim" shall mean a Claim: (a) to the extent that a Proof of Claim is filed timely or, with leave of the Court late filed as to which (i) no party in interest files an objection or (ii) which is allowed by a Final Order; or (b) which is listed on a Debtor's schedules or any amendments thereto but which is not listed therein as disputed, unliquidated or contingent.

6. "Allowed Secured Claim" shall mean a Secured Claim to the extent it is an Allowed Claim.

7. "Allowed Unsecured Claim" shall mean an Unsecured Claim to the extent it is an Allowed Claim.

8. "Bankruptcy Case" shall mean this Chapter 11 bankruptcy case.

9. "Bankruptcy Code" shall mean Title 11 of the United States Code (11 U.S.C. § 101 et. seq.).

10. "Bankruptcy Court" shall mean the Court as defined below.

11. "Bar Date" shall mean August 9, 2019.

12. "Cash" shall mean all cash and cash equivalents which evidence immediately available funds in United States dollars.

13. "Claim" shall mean a right to payment as set forth in § 101(5) of the Bankruptcy Code.
14. "Claimant" shall mean the holder of a Claim.
15. "Confirmation Date" shall mean the date of the entry of the Confirmation Order.
16. "Confirmation Hearing" shall mean the hearing pursuant to the Bankruptcy Code Section 1128 before the Bankruptcy Court regarding the proposed confirmation of the Plan.
17. "Confirmation Order" shall mean the order of the Court confirming the Plan.
18. "Court" shall mean the United States Bankruptcy Court for the SOUTHERN District of New York.
19. "Creditor" shall mean any entity that holds a Claim against a Debtor.
20. "Debtors" shall mean 53 Stanhope LLC, 55 Stanhope LLC; 119 Rogers LLC, 127 Rogers LLC, 325 Franklin LLC, 618 Lafayette LLC, C & Ysw Llc, Natzliach LLC, 92 South 4th St LLC, 834 Metropolitan Avenue LLC, 1125-1133 Greene Ave LLC, APC Holding 1 LLC, D&W Real Estate Spring LLC, Meserole And Lorimer LLC, 106 Kingston LLC, Eighteen Homes LLC, 1213 Jefferson LLC, And 167 Hart LLC (each a "Debtor", and collectively, the "Debtors").

21. "Disputed Claim" shall mean the whole or any portion of any Claim against a Debtor to which an objection is timely filed as to which a Final Order has not been entered allowing or disallowing such Claim or any portion thereof.

22. "Disputed Claim Reserve" shall mean Cash to be set aside by the Debtors on the Effective Date in an IOLA account maintained by Debtors' counsel, in an amount equal to the amount that would have been distributed to the holders of Disputed Claims had such Claims been deemed Allowed Claims on the Effective Date, or in such other amount as may be approved by the Bankruptcy Court.

23. "Effective Date" shall mean the Date upon which the Confirmation Order is a Final Order, or such other date no later than 60 days after the Confirmation Date as may be practicable.

24. "Estate" shall mean the estate of each Debtor created upon the commencement of the Bankruptcy Case pursuant to Section 541 of the Bankruptcy Code.

25. "Executory Contracts" shall mean "executory contracts" and "unexpired leases" as such terms are used within Section 365 of the Bankruptcy Code.

26. "Final Order" shall mean an order of a court that has not been reversed, modified, amended or stayed, and as to which the time to appeal or to seek review or certiorari thereof has expired, and as to which no appeal, review or rehearing is pending.

27. "Impaired" shall mean not Unimpaired.

28. "Interest" shall mean an existing ownership interest in a Debtor.

29. "Interest Holder" shall mean a holder and owner of an existing Interest in a Debtor.

30. "Legal Rate" shall mean the applicable interest rate as set forth in 28 U.S.C. §1961 as of the Petition Date.

31. "Lien" shall mean a charge against or interest in property to secure payment of a debt or performance of an obligation.

32. "Mortgagee" shall mean Brooklyn Lender LLC.

33. "New Owners" shall mean [_____].

34. "Petition Date" shall mean May 20, 2019.

35. "Plan" shall mean this Plan of Reorganization, and any and all modifications and/or amendments hereto.

36. "Properties" and each "Property" shall mean the real properties itemized on Exhibit D to the Plan.

37. "Secured Claim" shall mean a Claim secured by a Lien on property included within a Debtor's Estate.

38. "Secured Creditor" shall mean the owner or holder of a Secured Claim.

39. "Unimpaired" shall mean not impaired under section 1124 of the Bankruptcy Code.

40. "Unsecured Claim" shall mean a Claim for which the Claimant does not hold (a) a valid, perfected and enforceable Lien, or (b) a right to setoff to secure the payment of

such Claim. An Unsecured Claim includes, but is not limited to, a Claim for damages resulting from rejection of any Executory Contract pursuant to Section 365 of the Bankruptcy Code, and does not include Administrative Expense Claims.

41. "Unsecured Creditor" shall mean the owner or holder of an Unsecured Claim.

CLAIMS CLASSIFICATION, TREATMENT AND VOTING

Class 1

1. **Classification** – New York City real estate tax and other Liens. Annexed to the Plan as Exhibit B is breakdown of the amount due to Class 1 by Debtor. The Debtors estimate that the amount due by all Debtors is approximately \$209,866.

2. **Treatment** -- Payment in Cash on the Effective Date, of Allowed Amount of each such Claim plus interest at the applicable statutory rate as it accrues from the Petition Date through the date of payment.

3. **Voting** – Unimpaired and deemed to accept the Plan.

Class 2

4. **Classification** – Brooklyn Lender LLC. Annexed to the Plan as Exhibit B is breakdown of the amount due to Brooklyn Lender LLC by Debtor. The Debtors estimate that the amount due by all Debtors is \$37,625,717.

5. **Treatment** – On the Effective Date, pursuant to section 1124 of the Bankruptcy Code, each Debtor shall cure pre-petition and post-petition defaults, if any, and then pay the outstanding amounts due on the date of payment.

6. **Voting** – Unimpaired and deemed to accept the Plan..

Class 3

7. **Classification** – Priority Claims under Sections 507(a)(3),(4),(5),(6), and (7) of the Bankruptcy Code. Annexed to the Plan as Exhibit B is a breakdown of such Priority Claims by Debtor. The Debtors estimate that the amount due by all Debtors is approximately \$0.

8. **Treatment** – Payment in Cash on the Effective Date, of Allowed Amount of each such Claim plus interest at the applicable statutory rate as it accrues from the Petition Date through the date of payment.

9. **Voting --** Unimpaired and deemed to accept the Plan..

Class 4

10. **Classification** – General Unsecured Claims. Annexed to the Plan as Exhibit B is a breakdown of General Unsecured Claims by Debtor. The Debtors estimate that the amount due by all Debtors is approximately \$4,785,330.

11. **Treatment** – Payment in Cash on the Effective Date, of Allowed Amount of each such Claim plus interest at the Legal Rate as it accrues from the Petition Date through the date of payment. A Claimant may elect to receive Interests in a Post-Confirmation Debtor instead of Cash payment. Each Claimant shall be entitled to elect to take Interests in the post-confirmation Debtor against whom the Claimant holds an Allowed Claim. Annexed to the Plan as Exhibit C is a spreadsheet indicating the projected percentage membership Interest allocated by Debtor per \$1,000 of Allowed Class 4 Claims. The value of such Interest a Claimant may elect to receive is approximately the same as the Claimant's Claim. The calculation of the value of the Interests to be disbursed is based on the Post-Confirmation Debtor's net equity in its

Property. The net equity is calculated by subtracting the Debtor's Post-Confirmation mortgage from the Property value. For example, if a Post-Confirmation Debtor owns a \$500,000 property encumbered by a \$400,000 Post-Confirmation mortgage, such Debtor will have net equity of \$100,000 in the Property. If a Claimant holds a \$1,000 Allowed Claim, the Claimant shall be entitled to Interests in the Debtor equal to \$1,000 of net equity, which, in this example would equate to a 1% membership interest representing 1% of the Debtor's net equity..

12. **Voting** – . Unimpaired and deemed to accept the Plan..

Class 5

13. **Classification** – Interests Holders.

14. **Treatment** – On the Effective Date, Interests will be cancelled and Interest Holders shall be entitled to new interests in the New Owners (formed as a condition to the Exit Financing) under the same terms as their exiting Interests in the Debtors.

15. **Voting** – Impaired and entitled to vote to accept or reject the Plan.

ADMINISTRATIVE EXPENSE CLAIMS AND STATUTORY FEES

Allowed Administrative Expense Claims, including professional fees, shall be paid in full in Cash on the Effective Date, or the date such Administrative Expense Claim becomes Allowed or as soon as practicable thereafter, except to the extent that the holder of an Allowed Administrative Expense Claim agrees to a different treatment; provided however, that Allowed Administrative Expense Claims representing obligations incurred in the ordinary course of business or assumed by the Debtors shall be paid in full or performed by the Debtors in the ordinary course of business or pursuant to the terms and conditions of the particular transaction.

The Debtors estimates that through the entry of a final decree in this case, Allowed Administrative Expenses will total approximately \$15,000 per Debtor plus litigation legal fees for a total of at least \$255,000. \$350,000 shall be escrowed for payment when Allowed, and then paid in the amounts Allowed.

Any outstanding U.S. Trustee fees and any statutory interest thereon shall be paid in full in Cash on the Effective Date. Thereafter, United States Trustee fees and any statutory interest thereon shall be paid until entry of final decree or until Bankruptcy Case is converted or dismissed. The Debtors shall file quarterly post-confirmation operating reports.

MEANS FOR IMPLEMENTATION

Source of Funds – Effective Date payments under the Plan will be paid from the Exit Financing, the terms of which are annexed to the Plan as Exhibit A. Under the Exit Financing each Debtor must transfer its assets including its Property to the New Owners, which shall assume responsibility for repayment of the Exit Financing. The transfer of each Property to the New Owners under the Plan shall be free and clear of all liens, claims and encumbrances, with any such liens, claims and encumbrances to attach to Exit Financing, and to be disbursed under the Plan, provided, however, that the Mortgagee shall assign its mortgages to the holder of the Exit Financing in connection with the transfer of the Properties under the Plan.

Stamp Tax -- Under the Plan, pursuant to Bankruptcy Code § 1146(c), (a) the issuance, transfer or exchange of any securities, instruments or documents, (b) the creation of any other Lien, mortgage, deed of trust or other security interest, (c) the making or assignment of any lease or sublease or the making or delivery of any deed or other instrument of transfer under, pursuant to, in furtherance of, or in connection with, the Plan, including, without limitation, any

deeds, bills of sale or assignments executed in connection with the transfer of each Property to the New Owners and any other transaction contemplated under the Plan or the re-vesting, transfer or sale of any real or personal property of the Debtors pursuant to, in implementation of, or as contemplated in the Plan, and (d) the issuance, renewal, modification or securing of indebtedness by such means, and the making, delivery or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including, without limitation, the Confirmation Order, shall not be subject any applicable document recording tax, stamp tax, conveyance fee or other similar tax, mortgage tax, real estate transfer tax, or other similar tax or governmental assessment.

Release of Liens – Except as otherwise provided for in the Plan, (a) each holder of a Secured Claim, shall on the Effective Date (x) turn over and release to the subject Debtor any and all Collateral that secures or purportedly secures such Claim, as pertains to such Property or such Lien shall automatically, and without further action by such Debtor be deemed released, and (y) execute such documents and instruments as such Debtor requests to evidence such Claim holder's release of such property or Lien.

Execution of Documents -- Each Debtor shall be authorized to execute, in the name of any necessary party, any notice of satisfaction, release or discharge of any Lien, Claim or encumbrance 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.

Vesting of Assets -- Except as otherwise provided in the Plan, on the Effective Date all assets and properties of the Estate of each Debtor shall vest in such Debtor free and clear

of all Liens, Claims and encumbrances and any and all Liens, Claims and encumbrances that have not been expressly preserved under the Plan shall be deemed extinguished as of such date.

Recording Documents -- Each and every federal, state and local governmental agency or department shall be authorized 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, including, but not limited to any and all notices of satisfaction, release or discharge of any Lien, Claim or encumbrance not expressly preserved by the Plan, and the Confirmation Order.

Preservation of Claims -- All rights pursuant to Sections 502, 544, 545 and 546 of the Bankruptcy Code, all preference claims pursuant to Section 547 of the Bankruptcy Code, all fraudulent transfer claims pursuant to Section 548 of the Bankruptcy Code, and all claims relating to post-Petition Date transactions under Section 549 of the Bankruptcy Code shall be preserved for the benefit of each Debtor's estate; provided, however, that the Debtors shall have sole authority for prosecuting any such claims.

DISTRIBUTIONS TO CREDITORS

Each Debtor shall be disbursing agent under its Plan without a bond. The Debtors reserve the right to file objections to Claims in the event grounds exist to object to particular Claims, for a period of 60 days after the Effective Date. On the initial distribution date and on each distribution date as may thereafter be necessary, the Debtors shall maintain a Disputed Claim Reserve for the holders of Disputed Claims as of such date in a sum not less than the amount required to pay each such Disputed Claim under the Plan if such Claim was Allowed in full. To the extent that a Disputed Claim becomes an Allowed Claim, the distributions reserved

for such Allowed Claim, shall be released from the Disputed Claim Reserve and paid to the holder of such Allowed Claim. After all the amounts of all Disputed Claims have been fixed, the balance of the Disputed Claim Reserve shall thereafter be paid in accordance with the Plan.

EXECUTORY CONTRACTS

Tenant leases shall be deemed assumed under the Plan and assigned to the New Owners. Except for any other Executory Contracts that a Debtor assumes before the Confirmation Date, all other Executory Contracts shall be rejected under the Plan on the Effective Date pursuant to sections 365 and 1123 of the Bankruptcy Code. In the event of a rejection which results in damages, a proof of Claim for such damages must be filed by the non-Debtor party with the Court on or before sixty (60) days after the Effective Date. All Allowed Claims arising from the rejection of any Executory Contract shall be treated as Unsecured Claims. Any Claim arising from the rejection of any Executory Contract not filed with the Court within the time period provided herein shall be deemed discharged and shall not be entitled to participate in any distribution under the Plan.

RETENTION OF JURISDICTION

Retention of Jurisdiction. The Court shall have jurisdiction over all matters arising under, arising in, or relating to each Debtor's Bankruptcy Case including, but not limited to, proceedings:

- To consider any modification of the Plan under Section 1127 of the Bankruptcy Code;
- To hear and determine all Claims, controversies, suits and disputes against the Debtors to the full extent permitted under 28 U.S.C. §§ 1334 and 157;

- To hear, determine and enforce all Claims and causes of action which may exist on behalf of the Debtors or a Debtor's Estate, including, but not limited to, any right of a Debtor or a Debtor's Estate to recover assets pursuant to the provisions of the Bankruptcy Code;
- To hear and determine all requests for compensation and/or reimbursement of expenses which may be made;
- To value assets of the Estate.
- To enforce the Confirmation Order, the final decree, and all injunctions therein;
- To enter an order concluding and terminating the Bankruptcy Case;
- To correct any defect, cure any omission, or reconcile any inconsistency in the Plan, or the Confirmation Order;
- To determine all questions and disputes regarding title to the assets of the Debtors.
- To re-examine Claims which may have been Allowed or disallowed for purposes of voting, and to determine objections which may be filed to any Claims.

GENERAL PROVISIONS

Headings. The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the meaning of the Plan.

Disputed Claims. The Debtors shall hold in escrow the distribution that would be due on account of any Disputed Claim. No Disputed Claims shall be paid until such Claim becomes an Allowed Claim.

Calculation of Time Periods. Bankruptcy Rule 9006 is incorporated herein for purposes of calculating the dates set forth herein.

Other Actions. Nothing contained herein shall prevent the Debtors, Interest Holders, or Creditors from taking such actions as may be necessary to consummate the Plan, although such actions may not specifically be provided for within the Plan.

Modification of Plan. The Debtors may seek amendments or modifications to the Plan in accordance with Section 1127 of the Bankruptcy Code at any time prior to the Confirmation Date. After the Confirmation Date, the Debtors may seek to remedy any defect or omission or reconcile any inconsistencies in the Plan or in the Confirmation Order, in such manner as may be necessary to carry out the purposes and intent of the Plan

INJUNCTION AND DISCHARGE

Injunction. The confirmation of this Plan shall constitute an injunction of the Court against the commencement or continuation of any action, the employment of process, or any act, to collect, recover or offset from the Debtors or their property or properties, any obligation or debt except pursuant to the terms of the Plan.

Discharge. On the Effective Date, except as otherwise expressly provided in this Plan or the Confirmation Order, the Plan shall: (i) discharge each Debtor and any of its Assets from all Claims, demands, liabilities and other debts that arose on or before the Effective Date, including, without limitation, all debts of the kind specified in section 502 of the Bankruptcy Code, whether or not (A) a proof of Claim based on such debt is filed or deemed filed pursuant to section 501 of the Bankruptcy Code, (B) a Claim based on such debt is Allowed pursuant to section 502 of the Bankruptcy Code, (C) a Claim based on such debt is or has been disallowed by order of the Bankruptcy Court, or (D) the holder of a Claim based on such debt has accepted this Plan; and (ii) preclude all entities from asserting against each Debtor or any of its Assets any

other or further Claims based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date, all pursuant to sections 524 and 1141 of the Bankruptcy Code. The discharge provided in this provision shall void any judgment obtained against each Debtor at any time, to the extent that such judgment relates to a discharged Claim. The Debtor shall be discharged from any Claims and agreements related to debts that arose on or before the Effective Date and such debts, Claims and agreements are deemed restructured and new as set forth in the Plan.

CLOSING THE CASE

Upon substantial consummation, the Debtors may move for a final decree to close the Bankruptcy Case and to request such other orders as may be just.

Dated: New York, New York
July 31, 2019

53 STANHOPE LLC ET AL.

By: s/ David Goldwasser, as authorized signatory of GC Realty Advisors, LLC, as Vice President

BACKENROTH FRANKEL & KRINSKY, LLP
Attorneys for Debtors

By: s/Mark A. Frankel
800 Third Avenue
New York, New York 10022
(212) 593-1100

Exhibit A

LIGHTSTONE Capital

June 19, 2019

Cheskel Strulowitz
Address: [TBA]



Re: Loan for 31 Assets in Brooklyn (the "Property")

Dear Mr. Strulowitz:

The purpose of this Letter of Intent ("LOI") is to set forth certain of the proposed terms and conditions under which Lightstone Capital LLC (together with its affiliates, successors, assigns or designees, collectively, "Lender") may extend credit to a special purpose bankruptcy remote entity ("Borrower") in the form of a mortgage and Lender's option, mezzanine financing (the "Loan"), in each case relating to the Property. This LOI is not a commitment to lend, either express or implied, and does not impose any obligation on Lender to issue a commitment or to provide the Loan or any other financing on the terms contained herein or any other terms. This LOI is not intended to set forth all of the terms and conditions of the proposed Loan, is for discussion purposes only and is non-binding for all purposes except as expressly set forth herein. Each of the provisions of this LOI which are phrased as covenants to enter into the Loan are subject to Lender's determination in its sole and absolute discretion and are subject to modification at any time by Lender.

Property: 31 Properties located throughout Brooklyn, New York with an aggregate gross area of 100,181 SF and 114 units (108 residential and 6 retail). See Exhibit A for summary of properties.

Purpose of the Loan: Refinance existing loan.

Borrower: The borrower ("Borrower") will consist of one or more newly formed, single purpose entities with no operations, assets, or activities other than the ownership interest in the Property and no debts or liabilities other than the Loan. Borrower will be structured as a bankruptcy-remote entity in a manner satisfactory to Lender.

Closing Date: Subject to review of Bankruptcy proceedings.

Loan Amount: \$40,000,000

Initial Funding: Lender will disburse the full amount of the Loan to Borrower at closing, less the Interest Reserve and any other reserves determined by Lender to be appropriate based on the circumstances surrounding the Loan (collectively, the "Reserves").

Sponsor/Guarantor: Cheskel Strulowitz

Interest Rate: The Loan will bear interest at a floating rate of One Month LIBOR + 5.25% with a floor of 7.75% per annum. The Interest Rate will be charged on an actual/360 basis.

Amortization: Interest Only

Origination Fee: Borrower shall pay a fee equal to 2.00% of the Loan Amount to Lender or its designee at closing.

Exit Fee: 1.00% of the Loan Amount will be due on any prepayment and/or repayment of the Loan including payoff at maturity and shall be paid, pro rata, in connection with any partial prepayments of the Loan.

Term: 12 months

Extension Option(s): Subject to certain conditions then existing, including that no event of default has occurred or is continuing, a satisfactory credit check, and a replenishment of Reserves as required by Lender, the Loan may be extended for three (3) separate six (6) month periods (each an "**Extension Period**") by Borrower. In consideration for each extension of the Loan, Borrower shall pay to Lender 0.50% (the "**Extension Fee**") and the Loan will bear interest at a floating rate of One Month LIBOR + 5.25% with a floor of 7.75% per annum (the "**Extension Interest Rate**"). The Interest Rate will be charged on an actual/360 basis.

Loan Collateral & Loan Documents: The collateral for the Loan shall include, without limitation, (a) a first priority perfected mortgage, deed of trust or deed to secure debt, as applicable, encumbering the Property, (b) a first priority perfected assignment of leases and rents, (c) a first priority perfected assignment of all contracts, agreements, trademarks, licenses, goods, equipment, accounts, fixtures and all other tangible and intangible personal property located on or used in connection with the Property, (d) a first priority perfected security interest in all monies deposited into the lockbox account and cash management account, including all subaccounts, escrow accounts and reserve accounts, (e) the Guaranty of Non-Recourse Obligations, the Carry Guaranty, and the Completion Guaranty (each as defined herein), (f) UCC-1 financing statements (personal property, fixture filing and accounts and reserves), (g) an assignment of all development, design and construction contracts, and (h) any and all other agreements and assurances reasonable or customary in commercial transactions similar to the Loan. The mortgage, deed of trust or deed to secure debt liens and the priority thereof shall be insured in favor of Lender and its successors and assigns, which insurance shall be issued and underwritten by a title insurance carrier designated by Lender. The Loan shall be evidenced, secured and governed by documentation customary for similar transactions by Lender and be in form and substance acceptable to Lender in its sole discretion and consistent in all material respects with the terms and provisions hereof, including without limitation, standard loan documentation, security and insurance for mezzanine financings as Lender may require in the event Lender creates a mezzanine loan as described below (collectively, the "**Loan Documents**").

Prepayment: The Loan may be prepaid at any time subject to Lender's receipt of no less than \$1,550,000 (equal to 6 months of projected interest costs) of interest payments ("the "**Minimum Interest**") such that, at the time of prepayment, if Lender has not received \$1,550,000 in interest payments, Borrower will, as a condition to such prepayment and in addition to all other amounts that may be due under the Loan at such time, pay to Lender the difference between the Minimum Interest and the amount of interest which Lender has actually received through the date of repayment.

Mezzanine: Lender reserves the right to convert any portion of the Loan to subordinate financing, including one or more tranches of mezzanine debt or subordinate debt, as well as participations in the foregoing, and to create component notes to reflect such conversions; provided, however, that any such conversion shall not materially affect the all-in interest cost to Borrower. If mezzanine debt is created, one or more mezzanine borrowers may be required to own 100% of the equity interests of Borrower.

Recourse: Full recourse to Guarantor. Guarantor shall also execute an environmental indemnity agreement.

Carry Guaranty: Guarantor must execute a carry guaranty guaranteeing (a) interest due under the Loan, and (b) operating expenses, insurance premiums and real estate taxes related to the Property.

Release Pricing: To be determined at Closing

Interest Reserve: \$1,250,000

Other Reserves: To be determined by Lender at closing of the Loan.

No Additional Liens: There shall be no financing, pledge, hypothecation or encumbrance, secured or unsecured, of the Property or of any direct or indirect ownership interests in Borrower at any level or tier of ownership, except the Loan.

Due on Transfer: Subject to Lender's standard exceptions with respect to permitted transfers, the Loan shall immediately become due and payable upon a transfer of all or any portion of the Property or of any direct or indirect ownership interests in Borrower.

Assumption: No assumption

Financial Reporting: Guarantor and Borrower shall provide to Lender, in form and substance acceptable to Lender, (a) leasing and operating reports no less than monthly and more frequently upon request, (b) Borrower-certified quarterly financial statements and operating statements, within fifteen (15) days of the end of each quarter, with each report providing information regarding such quarter as well as a year-to-date analysis, contrasted against the comparable period of the previous year and the then approved budget, (c) audited annual financial statements within sixty (60) days of the end of the year, and (d) such other information as Lender may reasonably request from time to time. Additionally, any and all material financial information received by Borrower related to the Property shall be made available to Lender within five (5) days of Borrower's receipt thereof.

Lease Approvals: All new leases and material amendments to existing leases are subject to Lender's reasonable prior approval.

Title: Borrower must provide Lender with such searches with respect to title to the Property, Borrower, its principals and Guarantor as Lender may require from time to time, including a survey thereof certified to Lender and the applicable title company. Borrower shall purchase an ALTA title insurance policy for Lender in the Loan Amount, containing such endorsements as Lender may require in its sole discretion. Title work will be done by Madison Title Agency.

Insurance: Borrower shall maintain at all times, at Borrower's sole cost and expense, insurance policies with such coverages, carriers, amounts, and deductibles as are required by Lender from time to time. Each of Lender and its successors and assigns must be listed as mortgagee, loss payee and additional insured on all such policies.

Due Diligence: Prior to closing, Lender will conduct customary due diligence with respect to the Property, Borrower and Guarantor, all of which must be satisfactory to Lender. All third party reports shall be addressed to Lender and shall upon delivery become the sole property of Lender, its successors and assigns. As a condition to closing, Borrower shall represent and warrant to Lender that it has

not made, and the due diligence materials delivered to Lender have not included, any untrue statement of a material fact or any omission that makes Borrower's statements or any of the due diligence deliverables materially misleading.

Patriot Act Disclosure:

To help fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person or entity that enters into a business relationship with such institution. Accordingly, Lender's due diligence will include customary background searches on the direct and indirect owners of Borrower, and Lender is hereby authorized to conduct such searches.

Confidentiality:

In consideration of Lender's issuance of this LOI at Borrower's request, Borrower agrees not to disclose, or knowingly permit any third party to disclose, either the fact that that discussions or negotiations are taking place between the parties concerning the Loan or any of the proposed terms, conditions, or other facts relating to the Loan. The terms set forth in this LOI are proprietary to Lender and are made available to Borrower solely for the evaluation of the Loan contemplated hereby. The obligations of Borrower under this paragraph shall survive the expiration or termination of this LOI.

Broker Fee:

There is no broker associated with this transaction. Borrower agrees to indemnify, defend and hold Lender harmless from and against any claims for a broker's commission, finder's fee or other payments no matter how described, and any other costs liabilities or expenses incurred by Lender in connection with any claim asserted by a broker or other party who claims to have worked with or represented Borrower in connection with the Loan. The obligations of Borrower under this paragraph shall survive the expiration or termination of this LOI.

Good Faith Deposit:

Borrower or an affiliate thereof must remit a good faith deposit in the form of bank check or wire to Lender ("**Deposit**") in the amount of \$75,000 concurrently with an executed copy of this LOI. The Deposit will be applied towards initial due diligence and 3rd party reports (Appraisals, Property Condition, Environmental Review, etc.) expected to be completed within 21 business days from receipt of Deposit. Borrower hereby agrees that its acceptance of this LOI shall constitute its unconditional agreement (a) that the Deposit may be held by Lender and used to pay all out-of-pocket expenses, fees, cost and charges actually incurred by Lender in any way relating to the Loan (including Lender's underwriting due diligence in connection therewith), including without limitation legal and auditing fees, appraisals, environmental and structural engineering reports for the Property, any other necessary or appropriate third party reports, recording and filing fees, taxes and other customary costs and expenses (collectively, "**Costs**"), and (b) to indemnify, defend and hold Lender harmless from and against all such Costs. All such Costs are due and payable regardless of whether a loan commitment is issued or the Loan closes. If the Loan is not consummated for any reason, the Deposit will be returned, without interest, less any Costs incurred by Lender as of such time. If the Loan is consummated, the Deposit shall be applied toward Lender's Costs. At any time prior to closing, Lender reserves the right to demand an additional or increased good faith deposit if the original Deposit has been expended. The obligations of Borrower under this paragraph shall survive the expiration or termination of this LOI. Borrower shall provide an additional deposit prior to Lender engaging legal counsel with respect to further due diligence and documentation of the Loan.

Exclusivity/Break-Up Fee: Each of Borrower and Guarantor hereby expressly agree and acknowledge that (a) Lender is devoting its personnel and financial resources to the consideration of this Loan; (b) in Lender's industry, business opportunities are limited and extremely competitive; (c) compensation to Lender, in the event Borrower obtains financing from a source other than Lender, would be extremely difficult to calculate; (d) Lender cannot, as a result of this underwriting and analysis, commit its resources to other potential transactions and may be deprived of business opportunities thereby; and (e) Lender may suffer negative impact in the industry in the event Borrower obtains financing from a competitor of Lender. Accordingly, each of Borrower and Guarantor hereby expressly agree that, upon the execution of this LOI, it will work solely with Lender to procure the Loan for the Property and agrees not to, and will cause its principals and affiliates not to, obtain or attempt to arrange a financing for the Property with any party other than Lender. In the event Borrower, Guarantor or any affiliate thereof obtains financing for the Property from a source other than Lender, Lender shall become immediately entitled to payment of a break-up fee ("**Break-Up Fee**") equal to two percent (2.0%) of the Loan Amount, which each of Borrower and Guarantor acknowledges and agrees constitutes liquidated damages and is a reasonable estimate of Lender's damages under the circumstances. Lender may apply any remaining portion of the Deposit to the Break-Up Fee at any time after it becomes due and payable. Borrower and Guarantor shall be jointly and severally responsible for Lender's legal and other out-of-pocket fees and expenses in connection with the recovery of the Break-Up Fee. If Lender determines not to move forward with the Loan on terms materially consistent with those outlined above, no Break-Up Fee shall be required. The obligations of Borrower under this paragraph shall survive the expiration or termination of this LOI.

Terms Conditional/Investment Committee Review: Borrower understands and acknowledges that Lender has not obtained internal investment committee approval for the Loan and that its agreement to make the Loan is subject to (a) investment committee approval, (b) Lender's satisfactory completion of underwriting and due diligence, and (c) final documentation of the Loan acceptable to Lender is its sole discretion.

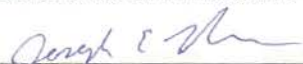
No Commitment: This LOI is provided for discussion purposes only and does not constitute a contract or a commitment or agreement to lend, either express or implied, or an agreement to issue a commitment, but merely indicates Lender's willingness to proceed with its evaluation of this Loan. The terms hereof are not all-inclusive and are subject to change. Except as expressly set forth herein, this LOI shall not be binding. No agreement (whether written, oral or otherwise) that may be reached during negotiations with respect to the Loan, nor any course of dealing between the parties, shall constitute a commitment by Lender to lend or otherwise be binding upon the parties.

Governing Law: This LOI shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to principals of conflicts of laws. Any action, suit, proceeding or litigation arising out of or relating in any way to this LOI shall commence and be maintained exclusively in the state or federal courts of the State of New York. Borrower will be responsible for Lender's legal and other out-of-pocket fees and expenses in the event Borrower is unsuccessful in any action, suit, proceeding or litigation brought against Lender. EACH PARTY HERETO HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR LITIGATION ARISING OUT OF OR RELATING IN ANY WAY TO THIS LOI.

To commence processing of the requested Loan, please sign and return an original counterpart of this LOI together with the Deposit. This LOI supersedes all prior discussions, agreements, commitments, arrangements, negotiations or understandings, whether oral or written, of the parties with respect thereto. This LOI shall be null and void and shall automatically terminate if not countersigned by Borrower and returned to Lender along with the Deposit by June 26th, 2019, unless mutually extended by the parties in writing. We look forward to working with you on this transaction.

Sincerely,

LIGHTSTONE CAPITAL LLC

By: 

Name: Joseph E. Teichman
Title: Executive VP

Agreed to and accepted on behalf of Borrower:

[Borrower]

By: 

Name:
Title:

EXHIBIT A

Assets			Portfolio Summary		
#	Address	Type	Gross Sq Ft	Residential Units	Retail Units
1	568 Willoughby Avenue, Brooklyn, NY 11206	Multi-Family	4,290	6	0
2	55 Stanhope Street, Brooklyn, NY 11221	Multi-Family	5,560	8	0
3	106 Kingston Avenue, Brooklyn, NY 11213	Mixed-Use	4,032	2	1
4	618 Lafayette Avenue, Brooklyn, NY 11216	Four Families	1,944	4	0
5	119 Rogers Avenue, Brooklyn, NY 11216	Multi-Family	5,613	6	0
6	127 Rogers Avenue, Brooklyn, NY 11216	Multi-Family	5,370	6	0
7	167 Hart Street, Brooklyn, NY 11206	Three Family	4,160	3	0
8	325 Franklin Ave, Brooklyn, NY 11238	Mixed-Use	4,050	3	2
9	53 Stanhope Street, Brooklyn, NY 11221	Two Family	1,848	2	0
10	107 South 3rd Street, Brooklyn, NY 11249	Four Family	3,080	4	0
11	109 South 3rd Street, Brooklyn, NY 11249	Four Family	3,000	4	0
12	129 South 2nd Street, Brooklyn, NY 11249	Three Family	4,000	3	0
13	130 South 2nd Street, Brooklyn, NY 11249	Four Family	4,608	4	0
14	318 Bedford Ave, Brooklyn, NY 11249	Mixed-Use	2,640	2	1
15	740 Driggs Ave, Brooklyn, NY 11211	Mixed-Use	1,995	2	2
16	144 Huntington Street, Brooklyn, NY 11231	Two-Family	1,776	2	0
17	68 Carroll Street, Brooklyn, NY 11231	Three Family	2,450	3	0
18	342 Rodney Street, Brooklyn, NY 11211	Four Family	4,275	4	0
19	178 Meserole Street, Brooklyn, NY 11206	Multi-Family	3,750	5	0
20	180 Meserole Street, Brooklyn, NY 11206	Multi-Family	3,750	5	0
21	182 Meserole Street, Brooklyn, NY 11206	Multi-Family	3,750	5	0
22	440 Lorimer Street, Brooklyn, NY 11206	Three Family	1,890	3	0
23	263 18th Street, Brooklyn, NY 11215	Four Family	2,850	4	0
24	1213 Jefferson Ave, Brooklyn, NY 11221	Three Family	2,250	3	0
25	92 South 4th Street, Brooklyn, NY 11249	Three Family	4,140	3	0
26	834 Metropolitan Ave, Brooklyn, NY 11211	Two-Family	2,136	2	0
27	1125 Greene Ave, Brooklyn, NY 11221	Two-Family	2,195	2	0
28	1127 Greene Ave, Brooklyn, NY 11221	Two-Family	2,194	2	0
29	1129 Greene Ave, Brooklyn, NY 11221	Two-Family	2,195	2	0
30	1131 Greene Ave, Brooklyn, NY 11221	Two-Family	2,195	2	0
31	1133 Greene Ave, Brooklyn, NY 11221	Two-Family	2,195	2	0
Total			100,181	108	6

Exhibit B

Debtor	New York City	Brooklyn Lender	Brooklyn Lender	Priority	Priority	General Unsecured	General Unsecured	General Unsecured	Administrative	Grand Total
	Class 1	Class 2	Class 2 (Shared)	Class 3	Unclassified	Class 4	Class 4 (Shared A)	Class 4 (Shared B)	Unclassified	All Claims
167 Hart LLC	\$57	\$791,396				\$30,000				
53 Stanhope LLC	\$5,501		\$2,664,019			\$8,920	\$25,000	\$150,400		
325 Franklin LLC	\$32,992					\$17,710				
55 Stanhope LLC	\$61,939	\$2,038,184				\$611,952				
119 Rogers LLC	\$11,645	\$2,077,308				\$3,575	\$25,000			
127 Rogers LLC	\$12,017	\$2,121,334				\$2,409				
106 Kingston LLC	\$3,912	\$730,949				\$144,304				
618 Lafayette LLC	\$3,334	\$1,120,878				\$32,484				
Eighteen Homes LLC	\$3,091	\$823,347				\$9,812	\$36,000			
1213 Jefferson LLC	\$3,106	\$898,840				\$8,497				
92 South 4th LLC	\$4,403		\$2,236,420			\$6,488	\$500,000			
834 Metropolitan LLC	\$3,338					\$13,893				
1125-1131 Greene Avenue, LLC	\$11,121	\$3,025,661				\$8,161				
APC Holding 1 LLC	\$263	\$1,256,364				\$502,699				
C&YSW, LLC	\$2,177		\$4,943,431			\$6,750	\$2,500,000			
Natliach LLC	\$9,793					\$66,179				
D&W Real Estate Spring LLC	\$26,553		\$12,897,588			\$56,167				
Meserole & Lorimer LLC	\$14,646					\$18,931				
Total	\$209,886	\$14,884,260	\$22,741,457	\$0	\$0	\$1,548,930	\$3,086,000	\$150,400	\$0	
Grand Total - All Claims	\$209,886		\$37,625,717				\$4,785,330		\$0	\$42,620,934

Exhibit C

Debtor	Property Value	Post Confirmation Mortgage	Net Equity Interest Value	Entity Ownership % Per \$1,000 of Claims
APC Holding 1 LLC	2,390,000	1,694,032	695,968	0.14%
55 Stanhope LLC	1,680,000	990,784	689,216	0.15%
167 Hart LLC	2,110,000	1,495,568	614,432	0.16%
106 Kingston LLC	2,100,000	1,488,480	611,520	0.16%
618 Lafayette LLC	1,124,100	796,762	327,338	0.31%
53 Stanhope LLC	1,000,000	808,800	191,200	0.52%
325 Franklin LLC	1,842,700	1,406,106	436,594	0.23%
119 Rogers LLC	2,000,000	1,417,600	582,400	0.17%
127 Rogers LLC	2,100,000	1,488,480	611,520	0.16%
Eighteen Homes LLC	1,800,000	1,275,840	524,160	0.19%
1213 Jefferson LLC	1,000,000	708,800	291,200	0.34%
92 South 4th St LLC	2,000,000	1,417,600	582,400	0.17%
834 Metropolitan Avenue LLC	1,500,000	1,063,200	436,800	0.23%
1125-1133 Greene Ave LLC	5,325,000	3,774,360	1,550,640	0.06%
C & YSW, LLC	4,100,000	2,906,080	1,193,920	0.08%
Natzliach LLC	2,720,000	1,927,936	792,064	0.13%
D & W Real Estate Spring LLC	12,190,000	8,640,272	3,549,728	0.03%
Meserole and Lorimer LLC	9,450,000	6,698,160	2,751,840	0.04%
	56,431,800	39,998,860	16,432,940	

Exhibit D

Debtor	Property	Value	Mortgage Principal
53 Stanhope LLC 325 Franklin LLC (Joint Owners)	53 Stanhope Street Brooklyn NY 325 Franklin Avenue, Brooklyn NY	\$3,500,000	\$2,664,019
119 Rogers LLC	119 Rogers Avenue, Brooklyn, NY	\$3,000,000	\$2,077,307
127 Rogers LLC	127 Rogers Avenue, Brooklyn, NY	\$3,500,000	\$2,121,334
167 Hart LLC	167 Hart Street, Brooklyn, NY	\$2,100,000	\$791,396
106 Kingston LLC	106 Kingston Ave Brooklyn, NY	\$2,100,000	\$730,949
618 Lafayette LLC	618 Lafayette Ave Brooklyn, New York	\$1,900,000	\$779,122
C&YSW, LLC Natliach LLC (Joint Owners)	129 South 2nd Street, Brooklyn, NY 107 South 3rd Street Brooklyn, NY 109 South 3rd Street Brooklyn NY	\$9,000,000	\$4,943,431
Eighteen Homes LLC	263 18th Street, Brooklyn, NY	\$1,800,000	\$823,000
1213 Jefferson LLC	1213 Jefferson Avenue, Brooklyn, NY	\$1,500,000	\$898,840
92 South 4 th LLC 834 Metropolitan LLC (Joint Owners)	92 South 4th Street, Brooklyn, NY 834 Metropolitan Ave, Brooklyn, NY	\$4,500,000	\$2,236,419
1125-1131 Greene Avenue, LLC	1125 Greene Avenue, Brooklyn, NY 1127 Greene Avenue, Brooklyn, NY 1129 Greene Avenue, Brooklyn, NY 1131 Greene Avenue, Brooklyn, NY 1133 Greene Avenue, Brooklyn, NY	\$6,000,000	\$3,025,651
APC Holding 1 LLC	568 Willoughby Avenue, Brooklyn, NY	\$3,500,000	\$1,256,364
D&W Real Estate Spring LLC Meserole & Lorimer LLC (Joint Owners)	130 South 2nd Street, Brooklyn, NY 318 Bedford Avenue, Brooklyn, NY 740 Driggs Avenue, Brooklyn, NY 144 Huntington Street, Brooklyn, NY 68 Carroll Street, Brooklyn, NY 342 Rodney Street, Brooklyn, NY 178 Meserole Street, Brooklyn NY 180 Meserole Street, Brooklyn NY 182 Meserole Street, Brooklyn NY 440 Lorimer Street, Brooklyn NY	\$26,000,000	\$12,897,588
55 Stanhope, LLC	55 Stanhope Street, Brooklyn, NY	\$5,000,000	\$2,038,183.88

18 Entities

31 properties

Total Mortgage = \$37,283,614.25

EXHIBIT B

ASSETS AND LIABILITIES UNDER PLAN

Assets	
Real Property and misc. personal property	\$56,431,800

Liabilities	
Administrative Expense Claims	\$255,000
New York City Lien Claims	\$209,866
Brooklyn Lender LLC	\$37,625,717
Priority Claims	\$0
General Unsecured Claims	\$4,785,330
Total	\$42,875,934

CHAPTER 7 LIQUIDATION ANALYSIS

Assets	
Real Property and misc. personal property	\$56,431,800

Liquidation Distributions	
Administrative Expense Claims	\$5,898,180
New York City Lien Claims	\$209,866
Brooklyn Lender LLC	\$50,323,754
Priority Claims	-0-
General Unsecured Claims	-0-
Total	\$ \$56,431,800

Note: All Claim amounts subject to objection.