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June 10, 2020

Mr. Dean Pappas
9994 Beach Club Drive, Unit 504
Myrtle Beach, SC 29572

Re: B & G Holding Company

Dear Mr. Pappas:

Please be advised that I represent Mr. Eugene Leogrande, with reference to the above matter. I have been advised that you are a representative of the Estate of William Egan.

As I am sure that you are aware, Mr. Leogrande and Mr. Egan were equal partners in the above entity, among others, and had entered into a certain Agreement dated June 15, 1994 as amended by an Agreement dated April 1, 2013 (the "Agreement") concerning their ownership interests in these shared entities.

Among other things, this Agreement provided for the transfer and sale of stock and partnership interests between Mr. Leogrande and Mr. Egan in the event of a death of either individual. Paragraph 4 of said Agreement provides that the death of a Shareholder or Partner shall constitute an offer of the personal representative of the deceased Shareholder or Partner's estate to sell his shares or partnership interest. It further provides for a calculation of the price to be paid for that individual's ownership interest as well as the terms of payment.

My client has elected to purchase the partnership interest held by Mr. Egan's estate in B & G Holding Company.

Based upon the terms of said Agreement, my client has determined that the Purchase Price of Mr. Egan's 50% interest in B & G Holding Company is \$318,348.00. The

Mr. Dean Pappas
June 10, 2020
\Page 2.

Purchase Price was determined in accordance with the terms of Paragraph 5 of the Agreement, as amended and as follows:

- (i) The Total Value was determined by computing the actual rents collected from the tenants of the premises (Juice Bar; Children's Educational Store; E R Grocery; Poppa Johns and Bazaar Food) for the twelve (12) month period immediately preceding the date of Mr. Egan's death and multiplying the gross rents for the twelve (12) month period by a multiple of eight (8). The result is the Stipulated Value. The gross rents collected for the above time period equals \$194,212.00 This amount is multiplied by 8 resulting in a Stipulated Value of \$1,553,696.00.
- (ii) The Stipulated Value is then reduced by the net of any outstanding mortgage on a parcel of real property owned by B & G Holding Company. That amount is \$917,000.00, which reduces the Stipulated Value to \$636,696.00.
- (iii) The Stipulated Value of the Partnership Interest shall be the Total Value (or Stipulated Value in this case) multiplied by the partner's percentage ownership of the partnership. As Mr. Egan had a 50% ownership interest in B & G Holding Company, the Purchase Price is determined by multiplying the Stipulated Value of \$636,696.00 by .50% for a Stipulated Value of \$318,348.00.

Please contact me or have your attorney contact me to make arrangements for the purchase of the partnership interests, as set forth above.

Should you have any questions, please contact me.

Thank you for your anticipated courtesy and cooperation.

Yours very truly,

JJM/ns
Via Certified Mail R/R/R
leograndeltr

JAMES J. MATUSIAK