

STATE OF RHODE ISLAND
PROVIDENCE, S.C.

SUPERIOR COURT

City of East Providence, :
Petitioners, :

v. :

C.A. No.: PC-2025-04736

Scarlata Enterprises, LLC :
Respondent. :

PETITION TO SELL PROPERTY
FREE AND CLEAR OF LIENS AND ENCUMBRANCES

NOW COMES Theodore Orson, Receiver of Respondent Scarlata Enterprises, LLC (the "Receiver"), and hereby requests that this Court enter an Order authorizing the Receiver to sell the real property located at 77 Pawtucket Avenue, East Providence, RI 02916 (the "Property"), pursuant to the terms of the Real Estate Purchase and Sale Agreement (the "Offer"), annexed hereto as **Exhibit A**, free and clear of all interests, claims, liens and encumbrances, including but not limited to all statutory liens, with such liens and encumbrances to attach to the proceeds of such sale in the same priority as prior to such transfer, or as otherwise provided by applicable law. In support of this Petition, the Receiver respectfully states as follows:

1. Petitioner is the duly-appointed Receiver of the above-referenced Respondent.
2. Included among the property of the Receivership Estate is the Receiver's right, title and interest, in and to the Property.
3. The Receiver has received an offer from Northeast Equity Partners, LLC (or its nominee) (the "Buyer") to purchase the Property pursuant to the terms of the Offer. The Buyer has offered to purchase all of the Receiver's right, title and interest as Receiver, in and to the Property for the purchase price of **Three Million Two Hundred Thousand Dollars and Zero Cents (\$3,000,000.00)**. Pursuant to the terms of the Offer, the Buyer has paid a deposit to the Receiver in the amount of **One Hundred Sixty-Two Thousand Dollars and Zero Cents**

(\$160,000.00).

4. The Receiver has accepted the Offer, subject to (i) approval by this Court, and (ii) higher and/or better offers.

5. The proposed sale is to be free and clear of all interests, claims, liens and encumbrances, including but not limited to all statutory liens of any municipality, with all such interests, claims, liens and encumbrances to attach to the proceeds of such sale in the same priority as prior to such sale, or as otherwise provided by applicable law.

6. On May 11, 2026, January 25, 2025, the Court entered an Order Granting Motion to Approve Break-Up Fee and Procedures a copy of which is annexed hereto as **Exhibit B**. This Order shall govern the sale process.

7. The Receiver believes that it is in the best interests of the creditors of the within Estate that the Property be sold upon the terms of the Offer, or upon the terms and conditions of a higher and/or better offer approved by the Court.

8. The Receiver believes that a Notice of Hearing on the within Petition should be provided to all parties who have recorded interests, claims, liens and encumbrances against the Property in the office of land evidence in the municipality where the Property is located, and/or at the Uniform Commercial Code Division of the Office of the Secretary of State of Rhode Island, and to all municipal authorities holding statutory or other liens against the Property, all as set forth in the attached "Schedule of Real Estate Lien Recordings and UCC Financing Statements," annexed hereto as **Exhibit C**, and to all creditors and to all other interested parties known to the Receiver as set forth on **Exhibit D**.

9. The Receiver requests that all entities who claim an interest, lien, or encumbrance against the Property, including all municipal authorities holding statutory or other liens against the Property, be directed to execute and deliver to the Receiver, within seven (7) days of his written request, lien releases, mortgage discharges, UCC Financing Termination Statements, in the usual and customary form, and all other documents reasonably necessary to effectuate the release and discharge of such interests, claims, liens and encumbrances, with the execution and

delivery of the same to be without prejudice to or waiver of any such interests, claims, liens or encumbrances against the sale proceeds.

10. The Receiver further seeks a declaration in the order approving the aforescribed sale that all interests, claims, liens and encumbrances asserted against the Property, including, any municipal authorities, and any other interests, claims, liens and encumbrances asserted by those parties with recorded UCC Financing Statements and/or recorded liens against the real estate, be declared to be released and discharged upon consummation of the sale of the Property, and that the recording of such Order with the Receiver's Deed shall constitute evidence of such release and discharge.

WHEREFORE, the Receiver prays: (a) that the Receiver be authorized to sell the Property, free and clear of interests, claims, liens and encumbrances, including but not limited to, all statutory liens and other claims of any municipal authorities, either to Buyer or its nominee, or to another party which this Court determines to have submitted the highest and/or best offer for the Property, upon the same terms and conditions as set forth in the Offer, or upon such other terms and conditions as this Court may approve, (b) that all interests, claims, liens and encumbrances against said Property be transferred to the proceeds thereof in the same priority as prior to such transfer, including but not limited to all statutory liens and other claims of any municipal authorities, (c) that all entities who claim an interest, lien or encumbrance against the Property, including but not limited to those parties set forth on the attached "Schedule of Real Estate Lien Recordings and UCC Financing Statements," be directed to execute and deliver to the Receiver, within seven (7) days of his written request, lien releases, mortgage discharges, UCC Financing Termination Statements, in the usual and customary form, and all other documents reasonably necessary to effectuate the release and discharge of such interests, claims, liens or encumbrances, with the execution and delivery of the same to be without prejudice to or waiver of any such interests, claims, liens or encumbrances against the sale proceeds, (d) that all interests, claims, liens or encumbrances, including but not limited to, any municipal authorities holding statutory liens or other claims against the Property be declared, released and discharged

with respect to the Property, and the recording of the Order authorizing such sale, along with the Receiver's Deed, be declared to constitute evidence of such release and discharge, and (e) that the Receiver be granted such other and further relief as this Court shall deem proper.

Respectfully submitted,

/s/ Theodore Orson, Receiver
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Dated: May 13, 2026

CERTIFICATE OF SERVICE

I hereby certify that on the 13th day of May 2026, I filed and served this document through the Rhode Island Judiciary Electronic Filing System. The document electronically filed and served is available for viewing and/or downloading from the Rhode Island Judiciary's Electronic Filing System.

/s/ James Ventetuolo, Legal Assistant