IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

IN RE:	:	CHAPTER 11
GELT PROPERTIES, LLC,	:	CASE NO. 11-15826 (MDC)
Debtor.	:	
IN RE:	:	CHAPTER 11
GELT FINANCIAL CORPORATION,	:	CASE NO. 11-15827 (MDC)
Debtor.	:	

FIRST AMENDED DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE DESCRIBING THE FIRST AMENDED PLAN OF REORGANIZATION PROPOSED BY GELT PROPERTIES, LLC AND GELT FINANCIAL CORPORATION, THE DEBTORS AND DEBTORS-IN-POSSESSION

PLEASE READ THIS DISCLOSURE STATEMENT CAREFULLY. THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THIS PLAN OF REORGANIZATION. THE DEBTOR BELIEVES THAT THIS PLAN OF REORGANIZATION IS IN THE BEST INTEREST OF THE CREDITORS AND THAT THE PLAN IS FAIR AND EQUITABLE. THE DEBTOR URGES THAT THE VOTER ACCEPT THIS PLAN.

Dated:

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I. INTRODUCTION

Gelt Properties, LLC ("Gelt Properties") and Gelt Financial Corporation ("Gelt Financial") (Gelt Properties and Gelt Financial shall be collectively referred to as the "Debtors"), as debtors and debtors-in-possession hereby provide this first amended disclosure statement (the "Disclosure Statement") to all of their known Creditors and "Interest Holders" entitled to same pursuant to section 1125 of the United States Code, as amended (the "Bankruptcy Code ") in connection with the plan of reorganization (the "Plan") filed by the Debtors. A copy of the Plan accompanies the Disclosure Statement. The purpose of the Disclosure Statement is to provide creditors of the Debtors with such information as may be deemed material, important and necessary in order to make a reasonably informed decision in exercising the right to vote on the Plan. The capitalized items used in this Disclosure Statement, if not defined herein, shall have the same meaning as indicated in the Plan.

NO REPRESENTATION CONCERNING THE DEBTOR-IN-POSSESSION (INCLUDING THOSE RELATING TO FUTURE OPERATIONS, THE VALUE OF ASSETS, ANY PROPERTY, OR CREDITORS AND OTHER CLAIMS) INCONSISTENT WITH ANYTHING CONTAINED HEREIN HAVE BEEN AUTHORIZED.

On May 25, 2011, Gelt Properties and Gelt Financial, (the "Debtors") commenced two separate bankruptcy cases by filing voluntary petitions under chapter 11 of title 11 of the United States Code, as amended (the "Bankruptcy Code") in the United States Bankruptcy Court for the Eastern District of Pennsylvania under captions "In re Gelt Properties, LLC, 11-15826 (MDC)" and "In re Gelt Financial Corporation 11-15827 (MDC)." On August 9, 2011 the Bankruptcy Court entered an Order Granting the Debtors' Motion For Joint Administration of Lead Case 2:11-bk-15826 with Member Case 2:11-bk-15827. See Docket Item 30. Since the Filing Date,

the Debtors have continued in the operation of their businesses as debtors-in-possession pursuant to §§1107(a) and 1108 of the Bankruptcy Code.

A. Purpose of this Document.

This Disclosure Statement summarizes what is in the Plan, and tells you certain information relating to the Plan and the process that the Court follows in determining whether or not to confirm the Plan.

READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO KNOW ABOUT:

(1) WHO CAN VOTE OR OBJECT,

(2) THE PROPOSED TREATMENT OF YOUR CLAIM (i.e., what your claim will receive if the Plan is confirmed), AND HOW THIS TREATMENT COMPARES TO WHAT YOU WOULD RECEIVE IN LIQUIDATION,

(3) THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS DURING THE BANKRUPTCY;

(4) WHAT THE COURT WILL CONSIDER WHEN DECIDING WHETHER TO CONFIRM THE PLAN,

(5) THE EFFECT OF CONFIRMATION, AND

(6) THE FEASIBILITY OF THE PLAN.

This Disclosure Statement cannot tell you everything about your rights. You should consider consulting your own attorney to obtain more specific advice on how this Plan will affect you and what is the best course of action for you.

Be sure to read the Plan as well as the Disclosure Statement. Capitalized terms not otherwise defined in this Disclosure Statement shall have the meaning ascribed to them in the Plan. The Plan is the legally operative document regarding the treatment of Claims and Interests

and the terms and conditions of the Debtors' proposed reorganization. Accordingly, to the extent that there are any inconsistencies between the Plan and Disclosure Statement, the Plan provisions govern.

Bankruptcy Code Section 1125 requires a disclosure statement to contain "adequate information" concerning the Plan. The term "adequate information" is defined in Bankruptcy Code section 1125(a) as "information of a kind, and in sufficient detail, about a debtor and its operations "that would enable a hypothetical reasonable investor typical of holders of claims or interests" of the debtors to make an informed judgment about accepting or rejecting the plan. The Bankruptcy Court determined that the information contained in this Disclosure Statement is adequate, and it has approved this document in accordance with Bankruptcy Code section 1124.

This Disclosure Statement is provided to each Creditor whose Claim has been scheduled by the Debtors or who has filed a proof of claim against the Debtors and to each interest holder of record as of the date of approval of this Disclosure Statement. Under the Bankruptcy Code, your acceptance of the Plan may not be solicited unless you receive a copy of this Disclosure Statement prior to or concurrently with such solicitation.

B. Brief Explanation of Chapter 11

Chapter 11 is the principal business reorganization section of the Bankruptcy Code. Pursuant to Chapter 11, a debtor is permitted to reorganize its business affairs for its own benefit and that of its creditors and other interest holders.

The objective of a Chapter 11 case is the formulation of a plan of reorganization of the debtor and its affairs. Creditors are given an opportunity to vote on any proposed plan, and the plan must be confirmed by the Bankruptcy Court to be valid and binding on all parties. Once the plan is confirmed, all claims against the debtor which arose before the Chapter 11 proceeding was initiated are extinguished, unless specifically preserved in the Plan.

C. Disclaimers

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN, AND NOTHING CONTAINED IN IT SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE PLAN OR OTHER LEGAL EFFECTS OF THE REORGANIZATION ON DEBTOR, HOLDERS OF CLAIMS OR INTERESTS, OR THE REORGANIZED DEBTOR. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF AND THE STATEMENTS AND REPRESENTATIONS CONTAINED HEREIN ARE MADE SOLELY BY OR AT THE INSTANCE OF THE DEBTOR.

NO REPRESENTATIONS CONCERNING THE PLAN ARE AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. THE DEBTOR DOES NOT WARRANT OR PRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY.

CERTAIN OF THE INFORMATION PROVIDED, BY ITS NATURE, IS FORWARD LOOKING, CONTAINS ESTIMATES AND ASSUMPTIONS WHICH MAY PROVE TO BE FALSE OR INACCURATE AND CONTAINS PROJECTIONS WHICH MAY BE MATERIALLY DIFFERENT FORM ACTUAL FUTURE EXPERIENCES. SUCH ESTIMATES AND ASSUMPTIONS ARE MADE FOR INFORMATIONAL PURPOSES ONLY.

PLEASE NOTE THAT THE APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE A RULING ON THE MERITS, FEASIBILITY OR DESIRABILITY OF THE PLAN.

II. VOTING PROCEDURE

The Bankruptcy Court has reviewed this Disclosure Statement and entered an Order determining that these documents contained "adequate information" such that creditors can meaningfully evaluate the Plan. A copy of the Order approving the Disclosure Statement is attached. Only after creditors have had an opportunity to vote on the Plan will the Court consider the Plan and determine whether it should be approved or confirmed.

All creditors entitled to vote on the Plan may cast their votes for or against the Plan by completing, dating, signing and causing the Ballot Form accompanying this Disclosure Statement to be returned to the following address in the enclosed envelope:

ALBERT A. CIARDI, III, ESQUIRE
JENNIFER E. CRANSTON, ESQUIRE
Ciardi Ciardi & Astin
One Commerce Square
2005 Market Street, Suite 1930
Philadelphia, PA 19103

BALLOTS MUST BE RECEIVED ON OR BEFORE **5:00 P.M. ON** _____, **2012** TO BE COUNTED IN THE VOTING. BALLOTS RECEIVED AFTER THIS TIME WILL NOT BE COUNTED IN THE VOTING UNLESS THE COURT SO ORDERS. THE DEBTOR RECOMMENDS A VOTE "FOR ACCEPTANCE" OF THE PLAN.

A. Persons Entitled to Vote on Plan

Only the votes of classes of Claimants and Interest holders which are Impaired by the Plan are counted in connection with confirmation of the Plan. Generally, and subject to the specific provisions of Section 1124 of the Bankruptcy Code, this includes creditors who, under the Plan, will receive less than payment in full of their Claims.

In determining the acceptance of the Plan, a vote will only be counted if submitted by a creditor whose claim is duly scheduled by the Debtors as undisputed, non-contingent and unliquidated, or who has timely filed with the Court a proof of claim which has not been objected to or disallowed prior to computation of the votes on the Plan. The Ballot Form does not constitute a proof of claim. If you are in any way uncertain if your Claim has been correctly scheduled, you may check the Debtors' Schedules which are on file in the Bankruptcy Court, but it is suggested that you file a proof of claim. The Clerk of the Bankruptcy Court will not provide this information by telephone.

B. Hearing on Confirmation

The Bankruptcy Court will set a hearing to determine whether the Plan has been accepted by the requisite number of creditors and whether the other requirements for confirmation of the Plan have been satisfied. Each creditor will receive, either with this Disclosure Statement or separately, the Bankruptcy Court's Notice of Hearing on Confirmation of the Plan.

C. Acceptances Necessary to Confirm Plan

At the scheduled confirmation hearing, the Bankruptcy Court must determine, among other things, whether the Plan has been accepted by each impaired class. Under Section 1126 of the Bankruptcy Code, an impaired class is deemed to have accepted the Plan if at least 2/3 in amount and more than 1/2 in number of the Allowed Claims of class members who have voted to accept or reject the Plan have voted for acceptance of the Plan. Further, unless there is acceptance of the Plan by all members of an impaired class, the Bankruptcy Court must also determine that under the Plan class members will receive property of a value, as of the Effective Date of the Plan, that is not less than the amount that such class members would receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date of the Plan.

D. Confirmation of the Plan without the Necessary Acceptances

The Plan may be confirmed even if it is not accepted by all of the impaired classes if the Bankruptcy Court finds that the Plan, (1) does not discriminate unfairly against such class or classes, (2) such class or classes will receive or retain under the Plan not less than the amount the Claimant would receive if the Debtors were liquidated under Chapter 7; and (3) is fair and equitable as to such class or classes as set forth in section 1129(b) of the Bankruptcy Code. Section 1129(b) of the Bankruptcy Code requires that, among other things, the Claimants must either receive the full value of their Claims or, if they receive less, no class with junior priority may receive anything. If the class of Unsecured Claims does not accept the Plan and the Plan does not propose to pay the class their Allowed Claims in full, no junior class may retain their equity interest, unless the shareholders contribute new money related to their participation in equity. In short, this provision provides that creditors are entitled to priority over stock holders against the property of an insolvent corporation, to the extent of their debts. The stockholder's interest in the property is subordinate to the rights of the creditors; first of secured and then of unsecured creditors. The Debtors may choose to use the New Value Exception to obtain confirmation of this Plan. The amount of such new value is not yet determined.

The Debtors-in-Possession may, at their option, choose to rely upon this provision to seek confirmation of the Plan if it is not accepted by an impaired class or classes of Creditors.

III. BACKGROUND OF THE DEBTOR

A. History and Cause of Bankruptcy

The Gelt Financial Debtor

The Gelt Financial Debtor is a Montgomery County, PA corporation specializing in commercial and residential mortgages that was founded by Jack Miller in 1989. Gelt Financial does business in Pennsylvania, New Jersey, Delaware and Maryland. Since its inception, Gelt

Financial's philosophy has been to educate, satisfy and service its customer base. The "Gelt Difference" is to exceed its clients' expectations by offering speed, flexibility and customization. As an industry leader, Gelt Financial has always sought out new ways of making loans to quality borrowers who are traditionally underserved by the mortgage industry. Consequently, in 1999, when Gelt Financial realized that the small commercial borrower was neglected by the mortgage industry, Gelt Financial switched its focus to commercial lending from residential lending. Since then, Gelt Financial has proven that it can provide "make sense" loans to borrowers who would have had a difficult time finding traditional financing.

Specifically, in the ordinary course of the Gelt Financial Debtor's business, it borrows money from traditional lenders and makes hard money loans to otherwise non-bankable commercial borrowers. Also, as part of its business, the Gelt Financial Debtor acquires and manages real estate in the real estate owned [REO] context, makes protective advances related to the ownership of said real estate or its mortgage collateral as well as funds the maintenance, upkeep and preservation of said assets.

The Gelt Financial Debtor is a party to various loan agreements with traditional lenders requiring certain levels of protection and collateralization. Certain of the traditional lenders, as identified *infra*, operate with the Gelt Financial Debtor on a warehouse basis. The following lenders have advanced the following sums to the Gelt Financial Debtor:

a. On November 29, 2006, Beneficial Mutual Savings Bank, a Pennsylvania Stock bank with offices at 630 Walnut Street, Philadelphia, Pennsylvania, 19106 made a loan to the Debtor in the original principal amount of $3,000,000 which has been subject to various modifications since the inception of the loan (the "Beneficial Loan"). The Beneficial Loan is secured with a first

lien security interest in (i) each Eligible Mortgage Loan, as defined in the Loan and Security Agreement; (ii) the proceeds from the sale of such mortgage loans; and (iii) all deposit accounts of the Debtor maintained at Beneficial Mutual Savings Bank.

b. On July 23, 2007, Bucks County Bank, a Pennsylvania banking corporation with offices at 200 South Main Street, Doylestown, Pennsylvania, 18901 made a loan to the Debtor in the original principal amount of $1,500,000 which has been subject to various amendments and modifications since the inception of the loan (the "Bucks County Loan"). Specifically, in March 2011, Bucks County Bank and the Debtor entered into that certain Amendment to Note Agreement reflecting an amended principal amount due of $1,354,893.98. The Bucks County Loan is secured by an assignment of specific notes and mortgages from Gelt Business Credit, LLC, as defined in the underlying Bucks County Bank Security Agreement.

c. On November 29, 2006, Fox Chase Bank, with offices located at 4390 Davisville Road, Hatboro, Pennsylvania, 19040 made a loan to the Debtor establishing a line of credit in the aggregate amount of $3,000,000 (the "Fox Chase Loan") which is evidenced by a Demand Promissory Note of even date in the original principal amount of $2,500,000 (as amended, supplemented and modified, "Note A") and a Demand Promissory Note of even date in the original principal amount of $500,000 (as

amended, supplemented and modified, "Note B," together with Note A, the "Notes"). As security for the payment of the principal of the Line of Credit and all interest thereon, and for the payment, performance and discharge of all other indebtedness and Obligations or undertakings now or hereafter owing or made by the Debtor to or for the benefit of Fox Chase under Fox Chase Loan documents, the Demand Promissory Notes, the Collateral Assignment of Mortgage Note and Other Loan Documents or under any other agreement, promissory note or undertakings now or hereinafter existing or entered between the Debtor and the Fox Chase Bank, the Debtor granted Fox Chase (a) continuing first priority security interest in and lien upon the Collateral, as defined in the underlying loan documents and (b) A security interest in and lien upon all funds or other assets of the Debtor now or at any time hereafter on deposit with or in the possession of Fox Chase Bank or owing by Fox Chase Bank to the Debtor, (being sometimes referred to as "Additional Collateral").

d. On January 31, 2006, Harleysville National Bank and Trust Company extended a credit facility to Gelt Business Credit, LLC, a successor by merger with the Debtor, with a maximum credit line amount of $6,000,000 (the "VFC Loan"). Subsequently thereto, First Niagara Bank, N.A. became a successor by merger to Harleysville National Bank and Trust Company. On or about June 30, 2011, the Debtor's loan was sold by First Niagara Bank, N.A.

to VFC Partners 6, LLC. The VFC Loan is secured by the Collateral, as defined in Section 5.3 of the original Harleysville National Bank and Trust Company Loan and Security Agreement.

e. On August 28, 2008, interState Net Bank, a New Jersey commercial bank located at 457 Haddonfield Road, Cherry Hill, New Jersey, 08002 extended to Gelt Business Credit, LLC, a successor by merger with the Debtor, a $2,500,000 loan secured by the Deposit Collateral, as defined in Section 6.4 of the interState Net Bank Loan Documents. Subsequently thereto, this loan was assigned by interState Net Bank to New Century Bank.

f. On December 12, 2006, National Penn Bank and the Debtor entered into a Revolving Mortgage Loan Agreement, as modified, supplemented and amended on numerous occasions subsequent thereto, in the original principal amount of $3,500,000 (the "Nat Penn Loan.") The Nat Penn Loan is secured by the Collateral, as defined in Article III of the Master Demand Note under the Revolving Mortgage Loan Agreement.

g. On August 3, 2005, The Park Avenue Bank, a banking corporation organized and existing under the laws of the State of New York with offices located at 460 Park Avenue, New York, New York, entered into a Loan Agreement with the Debtor in the original principal amount of $1,000,000 (the "Park Avenue Loan"). The Park Avenue Loan is Secured by the Collateral, as defined in Section II(A) of the original Loan Agreement.

h. On or about March 25, 2005, Republic First Bank, with offices located at 1608 Walnut Street, Philadelphia, Pennsylvania, 19103, and the Debtor entered into a Loan and Security Agreement in the original principal amount of $3,000,000. Subsequently thereto, the March 25, 2005 Loan Agreement was modified to increase the original principal amount of the loan to $5,000,000 (the "First Republic First Loan"). On or about March 3, 2006, Republic First Bank and the Debtor entered into a Second Loan and Security Agreement in the original principal amount of $6,000,000 (the "Second Republic First Loan," collectively referred to herein as the "Republic First Loans"). The Republic First Loans are secured by the Collateral, as defined in Section 1.3 of each Loan and Security Agreement.

i. On July 29, 2002, Univest National Bank and Trust Company, with offices located at 14 N. Main Street in Souderton, Pennsylvania, and the Debtor entered into a Loan Agreement in the original principal amount of $1,500,00, modified to increase the original principal amount to $2,500,000 on or about April 21, 2005 (the "First Univest Loan"). On January 15, 2008, Univest National Bank and Trust Company, with offices located at 14 N. Main Street in Souderton, Pennsylvania, and the Debtor entered into a Commercial Loan Agreement in the original principal amount of $5,000,000, as amended, supplemented and modified on various occasions subsequent thereto (the "Second Univest Loan,"

hereinafter collectively referred to with the First Univest Loan as the "Univest Loans").

j. On or about June 15, 2006, VIST, with offices located at Sentry Parkway West, Blue Bell, PA 19422, and the Debtor entered into a Loan and Security Agreement in the original principal amount of $6,000,000, as amended, modified and supplemented on numerous occasions subsequent thereto (the "VIST Loan"). The VIST Loan is secured by the Collateral as defined in Section 1.3 of the original Loan and Security Agreement;

(the lenders identified in (a) – (j) are hereinafter collectively referred to as the "Gelt Financial Lenders"). With regard to the foregoing Gelt Financial Lenders and loans, the Gelt Financial Debtor, to the best of its knowledge, submits that the following amounts, as of June 30, 2011, were due and owing under the subject loan documents:

a. Beneficial Mutual Savings Bank: $2,399,000

b. Bucks County Bank: $1,355,000

c. Fox Chase bank: $1,780,000

d. VCF Partners 6, LLC: $241,000

e. New Century Bank: $160,000

f. National Penn Bank: $1,642,000

g. The Park Avenue Bank: $319,000

h. Republic First Bank: $488,000

i. Univest National Bank and Trust Company: $4,487,000

j. VIST: $2,605,000

The Gelt Financial Debtor also owns real estate subject to mortgages with certain of the Gelt Financial Lenders referenced in Paragraph 7 which it must manage, maintain and sell. A schedule of the Debtor's Real Estate Holdings is attached hereto as "Exhibit A."

As a result of the extended economic downturn, the Gelt Financial Debtor's clients have been unable to make payments and are in default of their obligations to the Gelt Financial Debtor. Consequently, ~~it~~ the Gelt Financial Debtor was forced to restructure its own loans with its traditional lenders. Moreover, the Gelt Financial Debtor has faced difficulty selling properties taken back from borrowers and/or clients and otherwise funding continued operations. Given the foregoing, the Gelt Financial Debtor realizes the need to shift its focus toward real estate owned, managed and maintained as well as other business opportunities that present themselves using the company's infrastructure, experience and knowledge.

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The Gelt Properties Debtor

The Gelt Properties Debtor is a Nevada Limited Liability Company founded by Jack Miller in 1989 as the Real Estate Owned (REO) arm of co-debtor and affiliate, Gelt Financial Corporation. Gelt Properties, LLC is a wholly owned subsidiary of Gelt Holdings, Inc. and does business in Pennsylvania, New Jersey, Delaware and Maryland and services the needs of Gelt Financial Corporation as well as third parties as a property manager. In the ordinary course of co-debtor, Gelt Financial Corporation's business, it borrows money from traditional lenders and makes loans to commercial borrowers. Also, as part of its business, the Gelt Properties co-debtor acquires and manages real estate in the real estate owned [REO] context, through the Gelt Financial Debtor.

The Gelt Properties ~~Debtor is~~Debtor is also a party to various loan agreements with banking institutions who have placed mortgages on properties owned by the Gelt Properties

Debtor (the "Gelt Properties Lenders"). The following lenders have advanced the following sums to the Gelt Properties Debtor:

a. Beneficial Mutual Savings Bank, a Pennsylvania Stock bank with offices at 530 Walnut Street, Philadelphia, Pennsylvania, 19106 made the following loans to the Debtor on the following dates [in the original principal amounts] of:

i. On March 24, 2009, Beneficial loaned $119,000 to the Debtor, pursuant to a term loan note, the performance of which was secured by a mortgage on a property commonly known as 125 W. Rittenhouse, located in Philadelphia, Pennsylvania;

ii. On May 30, 2008, Beneficial loaned $176,250 to the Debtor, pursuant to a term loan note, the performance of which was secured by a mortgage on a property commonly known as 204 19th Avenue, located in Irvington, New Jersey;

iii. On June 30, 2008, Beneficial loaned $262,500 to the Debtor, pursuant to a term loan note, the performance of which was secured by a mortgage on a property commonly known as 909 S. 21st Street, located in Philadelphia, Pennsylvania;

iv. On May 30, 2008, Beneficial loaned $82,500 to the Debtor, pursuant to a term loan note, the performance of which was secured by a mortgage on a property commonly known as 1509 Airbrake Avenue, located in Turtle Creek Borough, Pennsylvania;

v. On September 15, 2008, Beneficial loaned $53,250 to the Debtor, pursuant to a term loan note, the performance of which was secured by a

mortgage on a property commonly known as 1250 N. Newkirk Street, located in Philadelphia, Pennsylvania; and

vi. On September 24, 2008, Beneficial loaned $236,250 to the Debtor, pursuant to a term loan note, the performance of which was secured by a mortgage on property commonly known as 7049 Lincoln Drive, located in Philadelphia, Pennsylvania.

b. On or about March 25, 2010, VIST, with offices located at Sentry Parkway West, Blue Bell, PA 19422, and the Debtor entered into a Term Loan Agreement in the original principal amount of $150,000 (the "VIST Loan"). The VIST Loan is secured by a mortgage and security agreement of even date encumbering a property commonly known as 3705 Haverford Avenue, located in Philadelphia, Pennsylvania.

c. On or about July 29, 2009, East Coast Financial Co., with offices located at 1800 JFK Boulevard in Philadelphia, Pennsylvania, and the Debtor entered into a Term Loan Agreement in the original principal amount of $170,000, the performance of which was secured by a mortgage on a property commonly known as 4433 Sansom Street, located in Philadelphia, Pennsylvania.

With regard to the foregoing lenders and loans referenced in Paragraph 6, the Gelt Properties Debtor, to the best of its knowledge, submits that the following amounts, as of July 25, 2011, are due and owing under the subject loan documents:

a. Beneficial Mutual Savings Bank: $840,442

b. VIST: $146,987

c. East Coast Financial Co. $167,999

As indicated, the Gelt Properties Debtor owns real estate subject to mortgages with certain of the lenders which it must rent, manage, maintain and sell. A schedule of the Gelt Properties Debtor's Real Estate Holdings is attached hereto as "Exhibit B." Moreover and by way of further explanation of the interplay between the Gelt Properties Debtor and co-Debtor Gelt Financial Corporation, some of the properties which the Gelt Properties Debtor owns and manages may have a deed recorded in the name of co-Debtor Gelt Financial Corporation. It is the Gelt Properties Debtor's position that those properties are equitably owned by the Gelt Properties Debtor.

As a result of the extended economic downturn and rising unemployment, certain of the Gelt Properties Debtor's tenants have been unable to make payments and are in default of their obligations. Consequently, ~~it~~ the Gelt Properties Debtor was forced to ~~restructure its own loans with its traditional lenders~~ move forward with costly eviction and foreclosure proceedings in order to put paying tenants in the properties and sell others.

B. Financial Condition of Debtors

The Debtors' assets, based on current valuations, consist of approximately ~~$14,816,000~~15,300,000 in real estate and mortgages. The current secured indebtedness is approximately $16,248,000 and the current unsecured indebtedness is in excess of $3,500,000.

LIQUIDATION ANALYSIS

On a liquidation basis, the Debtors believe property owned by the Debtors will not achieve anything close to the Claims of each secured lender. The Debtors believe a liquidation of the Debtors will yield zero distribution for unsecured creditors. Attached hereto as Exhibit "C" is the Debtors' liquidation analysis.

C. Management of the Debtors

Management of the Debtors will remain unchanged post-confirmation. Jack Miller will continue to serve as the CEO of the reorganized debtors; Uri Shoham will continue to serve as the CFO of the reorganized debtors; and Ari Miller will continue to serve as the Vice President of the reorganized debtors focusing on field operations, collections, sale and maintenance of properties.

~~From and after the~~ From and after the Effective Date, the Debtors shall continue in existence for the purpose of continuing with the operation of the Debtors' business, including making distributions to the holders of Allowed Claims in accordance with the terms of th~~e~~is Plan. The Debtors shall continue to retain the services of court-approved counsel to assist in these matters. Debtors' counsel shall be entitled to reasonable compensation and reimbursement of expenses for services rendered to the Debtors in carrying out their post-confirmation duties.

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D. Significant Events Post-Filing

On July 27, 2011, the Gelt Financial Debtor filed its Motion for Authority to use Cash Collateral. See Member Case Docket Item 11. On July 29, 2011, the Gelt Properties Debtor filed its Motion for Authority to use Cash Collateral. See Lead Case Docket Item 16. On August 9, 2011, the Bankruptcy Court entered an Order Granting the Debtors' Motion For Joint Administration of Lead Case 2:11-bk-15826 with Member Case 2:11-bk-15827. See Lead Case Docket Item 30. The Gelt Financial Debtor and Gelt Properties Debtor have reached continued use of cash collateral by consent of their respective lenders from the inception of the above-captioned bankruptcy proceedings through ~~November 29, 2011~~March 31, 2012. See ~~Third~~ Fifth

Interim Order Authorizing the continued use of Cash Collateral at Lead Case Docket Item ~~108~~___.

On August 24, 2011, the Bankruptcy Court entered an Order Approving the Retention of Ciardi Ciardi & Astin as counsel for the Debtors. See Lead Case Docket Item 50.

On September 15, 2011, the Office of the United States Trustee appointed an Official Committee of Unsecured Creditors (the "Committee) in the Gelt Financial bankruptcy case, only. See Member Case Docket Item 95. On October 14, 2011, the Bankruptcy Court entered an Order approving the retention of Schoff McCabe, P.C. as Counsel for the Committee. See Lead Case Docket Item 131.

On October 20, 2011, the Debtors filed a Motion for Authority to Foreclose Upon Certain Real Property and to Approve Foreclosure and Loan Payoff Procedures (the "Foreclosure Procedures Motion"). See Lead Case Docket Item 137. On October 25, 2011, the Debtor filed its Omnibus Motion of the Debtor for Order Pursuant to 11 USC § 363(f) and Federal Rules of Bankruptcy Procedure 6004(h) and 9014 for Authority to Sell Certain Real Property Free and Clear of Liens, Claims and Encumbrances and to Approve Procedures Herein (the "Sale Procedures Motion"). See Lead Case Docket Item 142. The Sale Procedures Motion and the Foreclosure Procedures Motion were returnable on November 29, 2011 at 11:00AM. Orders approving the Sale Procedures and Foreclosure Procedures outlined therein were entered on or about January 4, 2011.

Finally and within the Exclusive Period, the Debtors filed ~~its~~the Plan of Reorganization and accompanying Disclosure Statement on January 25, 2012. See Lead Case Docket Items 290 and 289, Respectively. The Debtors files the First Amended Disclosure Statement in ~~its~~ a collective, ongoing attempt to resolve those objections to Docket Item 289 received from parties in interest.

E. Actual and Projected Recovery of Preferential or Fraudulent Transfers.

Based upon the Debtors' knowledge of the Debtors' books and records, t~~T~~he Debtors ~~believe~~ submit that no meritorious preferential or fraudulent transfer actions exist and, consequently, that none will be filed. However, the Debtors understand that the Committee, Committee Counsel and the Committee Accountant have conducted an exhaustive review of the ~~all of the~~ Debtors' books and records supplemented with various document productions related to non-debtor entities. The Debtors further understand that the aforementioned investigation was conducted for the sole purpose of completing a "preference analysis," and determining whether meritorious preferential or fraudulent transfer actions exist. Therefore, the Debtors believe that should such an action exist, the Committee would have informed Debtors and Debtors' counsel ~~and moved forward with the prosecution of the same~~. As of the date of the filing of the First Amended Disclosure Statement, Debtors' counsel has not been made aware of the existence of any such claims or actions.

F. Post Bankruptcy Operations

Since the Filing Date, the Debtors have filed all operating reports and have paid all required fees to the United States Trustee. The Debtors will continue to file all reports and pay all fees as they become due.

G. Projections

Projections supporting the Debtors' Plan are attached to the Plan as Exhibit E.

H. Lender Liability Litigation

The Debtors set forth, at Section 13.1 of their Plan, possible lender liability claims they may investigate and ultimately pursue.

IV. SUMMARY OF PLAN OF REORGANIZATION

A. What Creditors and Interest Holders Will Receive Under the Proposed Plan.

The Plan classifies Claims and Interests in various classes. The Plan states whether each class of Claims or Interests is impaired or unimpaired. The Plan provides the treatment each class will receive. The following is a brief summary of the Plan and is qualified in its entirety by the full text of the Plan itself. The Plan, if confirmed, will be binding upon the Debtors, their creditors and shareholders. All creditors are urged to carefully read the Plan.

B. Unclassified Claims.

Certain types of Claims are not placed into voting classes. They are not considered Impaired and they do not vote on the Plan because they are automatically entitled to specific treatment provided for them in the Bankruptcy Code. As such, the Debtors have not placed the following Claims in a class:

1. Administrative Expenses and Fees

Administrative expenses are Claims for fees, costs or expenses of administering the Debtor's chapter 11 cases which are allowed under the Bankruptcy Code section 507(a)(1), including all professional compensation requests pursuant to section 330 and 331 of the Bankruptcy Code.

i. Time for Filing Administrative Claims

The holder of an Administrative Claim, other than (i) a Fee Claim or (ii) a liability incurred and paid in the ordinary course of business by the Debtor, must file with the Bankruptcy Court and serve on the Debtor and its counsel, notice of such Administrative Claim within (30) days after the Confirmation Date. Such notice must include at a minimum (i) the name of the holder of the Claim, (ii) the amount of the Claim and (iii) the basis of the Claim. Failure to file this notice timely and properly shall result in the Administrative Claim being forever barred and discharged.

ii. Time for Filing Fee Claims

Each professional person who holds or asserts an Administrative Claim that is a Fee Claim incurred before the Effective Date shall be required to file with the Bankruptcy Court a fee application within sixty (60) days after the Effective Date. Failure to file the fee application timely shall result in the Fee Claim being forever barred and discharged.

iii. Allowance of Administrative Claims

An Administrative Claim with respect to which notice has been properly filed pursuant to Section 4.1 (a) the Plan shall become an Allowed Administrative Claim if no objection is filed after thirty (30) days lapses from the filing and service of notice of such Administrative Claim. If an objection is filed within such (30) day period, the Administrative Claim shall become an Allowed Administrative Claim only to the Extent allowed by Final Order.

iv. Payment of Allowed Administrative Claim

Each holder of an Allowed Administrative Claim shall receive (i) the amount of such holder's Allowed Claim upon the Effective Date, (ii) such other treatment as may be agreed upon in writing by the Debtors and such holder as long as no payment is made thereon prior to the Effective Date so long as such modification of treatment made by the Debtors and any holder of an allowed administrative claim does not impair any other class, or (iii) as may be otherwise ordered by the Court, provided that an Administrative Claim representing a liability incurred in the ordinary course of business by the Debtors may be paid in the ordinary course of business.

v. Professionals Fees Incurred After the Effective Date

Any professional fees incurred by the Debtors after the Effective Date must be approved by the Debtors and, thereafter, paid. Neither Bankruptcy Court approval, nor consent of creditors whose claims may be impaired by the payment of post-confirmation Professional Fees, is required. Any dispute which may arise with regard to professional fees after the Effective

Date shall be submitted to the Bankruptcy Court, which shall retain jurisdiction to settle these types of disputes.

2. Priority Tax Claims

Priority Tax Claims are certain unsecured income, employment and other taxes described by Bankruptcy Code section 507(a)(8). The Bankruptcy Code requires that each holder of such a section 507(a)(8) Priority Tax Claim receive the present value of such Claim in deferred cash payments, over a period not exceeding six (6) years from the date of the assessment of such tax.

C. Treatment of Classes of Claims

The Plan divides Claims and Interests into various separate classes. Under the Plan, there are sixteen (16) separate classes of creditors (classes 1 through 16) and one class of Interest Holders (Class 17), who hold the partnership interests of the Debtors.

Class 1. Secured Claim of Beneficial Savings Bank. Class 1 consists of two subclasses. Class 1A is the claim of Beneficial Savings Bank against Gelt Financial and Class 1 B is the claim of Beneficial Savings Bank against Gelt Properties. Each subclass includes all claims, damages or charges which are or could be asserted by the Class 1A or 1B creditor against either Debtor.

A. **Class 1A**. In its Schedules, Gelt Financial listed Beneficial Savings Bank ("Beneficial") as the holder of (a) a disputed secured claim in the amount of $44,246.00 with respect to a mortgage on certain property located at 401 North Madison Street, Wilmington, Delaware and (b) a secured claim in the amount of $1,983,973.67with respect to other loans and mortgages.

Beneficial filed a proof of claim alleging a Claim in the amount totaling $2,854,200.11 and asserting that the Claim was secured by a perfected security interest in all of Gelt Financial's property located in Philadelphia County as a result of a confessed judgment entered on or about March 23, 2011 in the amount of $2,696,619.28 in the Court of Common Pleas, Philadelphia County (the "Beneficial Confessed Judgment"). The Beneficial Confessed Judgment is contested by the Gelt Financial. The Confessed Judgment was entered subsequent to an alleged default under the Beneficial Loan Documents. The Class 1A Allowed Claim shall be the claim asserted by the Class 1A creditor subject to any reduction by the Lender Liability Claim and all payments made by the Debtor or Debtor's borrowers to this Class prior to the Confirmation Hearing

B. **Class 1B**. In its schedules, Gelt Properties listed Beneficial as the holder of various contingent and disputed secured liens on real estate owned by Gelt Properties including (a) 1509 & 1509 ½ Airbrake Avenue, Turtle Creek, Pennsylvania 15145; (b) 909 S. 21st Street, Philadelphia, Pennsylvania 19147; (c) 204 19th Street, Irvington, New Jersey 07111; (d) 125 W. Rittenhouse Street, Philadelphia, Pennsylvania 19144; (e) 1250 Newkirk Street, Philadelphia, Pennsylvania 19121; (f) 18879 Old Cuthbert Road, Unit 27, Cherry Hill, New Jersey 08034; (g) 7049 Lincoln Avenue, Philadelphia, Pennsylvania 19119; (h) 1914 S. 74th Street, Philadelphia, Pennsylvania 19138; (i) 80 S. Broad Street, Penns Grove, New Jersey 08069; and (j) 1626 N. 55th Street, Philadelphia, Pennsylvania 19131.

The Class 1A Allowed Claim shall be treated as follows: The Court shall value all of the Class 1A collateral and that value shall be the Class 1A Secured Claim. If the value of the collateral does not exceed the Class 1A Allowed Claim, the Class 1A Secured Claim shall be treated under this Class 1A and the deficiency claim shall be a Class 15 claim. In valuing the claim, the claim shall be divided into sub-notes which are tied to individual properties or collateral. The Class 1A Secured Claim shall be reduced by the full amount of all adequate protection payments, principal payments and payoffs made to the lender as well as all tax payments made by the Debtors to maintain the subject Collateral from the Petition Date to the Effective Date. The remaining Class 1A Secured Claim shall be paid in full within sixty (60) months of the Effective Date (the "Maturity Date"). The Class 1A Secured Claim shall be reset on the Effective Date and accrue interest at the rate of 2.0% for the first thirty-six (36) months after the Confirmation Date and at the rate of 3.25% for the following twenty-four (24) months. The Debtors shall make regular monthly payments of interest only on the Class 1A Secured Claim commencing thirty days after the Effective Date. The Debtors shall, as funds are collected by the Debtors attributable to principal, pay additional sums to the Class 1A Secured Claim for application to principal based upon the following: (a) fifty percent (50%) of monthly payments of principal paid by Debtor's Borrower to Debtor on any note which is collateral to this Class as and when received and (b) one hundred percent (100%) of any payoff or sale proceeds up to the amount of any sub-note attributable to the sole or paid of property.1 No legal fees or costs or appraisal fees or costs shall accrue with respect to the Class 1A Allowed Claim during the Bankruptcy Case. In the event of a default, Beneficial shall first seek and obtain relief from the automatic stay to reach collateral securing Debtors' obligation to Beneficial and exhaust all collection efforts with respect to the collateral securing Debtors' obligation to Beneficial before

1 Upon such payoff, the lender shall release all liens pertaining to the sub-note attributable to the subject property.

taking any action against the guarantors of the Debtors' obligation to Beneficial. Any and all cross-default and confession of judgment provisions in the Beneficial Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain insurance, refrain from waste, provide unaudited financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 1A Claim may be repaid at any time prior to the Maturity Date without penalty. Class 1A shall retain all lien and security interests on the sub-notes which remained unpaid until paid.

Foreclosure Treatment: From time to time, the Debtor may foreclose on the Borrower whose note is collateral to this Class and a sub-note within the Class. In such instance, the Debtor, upon obtaining the Sheriff's deed, shall immediately place a mortgage lien on the property for the benefit of this Class in the amount of the sub-note attributable to that property. That sub-note shall be paid at 4.5% interest commencing on the later ninety (90) days after delivery of the Sheriff's deed or after completion of all necessary repairs by the Debtor with a twenty (20) year amortization of principal and a five (5) year balloon payment.

The treatment and consideration to be received by the holder of a Class 1A Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 1A Secured Claim, all liens and security interests of Class 1A shall be released.

The Class 1B Allowed Claim shall be treated as follows: The Court shall value all of the Class 1B collateral and that value shall be the Class 1B Secured Claim. If the value of the collateral does not exceed the Class 1B Allowed Claim, the Class 1B Secured Claim shall be treated under this Class 1B and the deficiency claim shall be a Class 15 claim. In valuing the

claim, the claim shall be divided into sub-notes which are tied to individual properties or collateral. The Class 1A Secured Claim shall be reduced by the full amount of all adequate protection payments, principal payments and payoffs made to the lender as well as all tax payments made by the Debtors to maintain the subject Collateral from the Petition Date to the Effective Date. The remaining Class 1B Secured Claim shall be paid in full within sixty (60) months of the Effective Date (the "Maturity Date"). The Class 1B Secured Claim shall be reset on the Effective Date and accrue interest at the rate of 3.5% for the first twenty-four (24) months after the Confirmation Date and at the rate of 4.5% for the following thirty-six (36) months. The Debtors shall make regular monthly payments of interest only on the Class 1B Secured Claim. The Debtors may, as funds are collected by the Debtors, pay additional sums to the Class 1B Secured Claim for application to principal. No legal fees or costs or appraisal fees or costs shall accrue with respect to the Class 1B Allowed Claim during the Bankruptcy Case. In the event of a default, Beneficial shall first seek and obtain relief from the automatic stay to reach collateral securing Debtors' obligation to Beneficial and exhaust all collection efforts with respect to the collateral securing Debtors' obligation to Beneficial before taking any action against the guarantors of the Debtors' obligation to Beneficial. Any and all cross-default and confession of judgment provisions in the Beneficial Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain insurance, refrain from waste, provide unaudited financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 1B Claim may be repaid at any time prior to the Maturity Date without penalty. Class 1B shall retain all liens and security interests on the sub-notes which remain unpaid until paid.

The treatment and consideration to be received by the holder of a Class 1B Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 1B Secured Claim, all liens and security interests of Class 1B shall be released.

Class 1A and Class 1B shall have the right to elect treatment under Section 1111(b). Such election shall be made at the conclusion of the hearing on the Disclosure Statement and the treatment so elected shall be as set forth in Section 5.10. Finally, the holders of Class 1A and 1B claims have not agreed to their proposed treatment under the Plan.

Class 2. **Secured Claim of New Century Bank.** In its Schedules, Gelt Financial listed New Century Bank ("New Century") as the holder of a disputed secured claim in the amount of $160,000.00 with respect to various loans and mortgages. New Century filed a proof of claim alleging a Claim in the amount totaling $204,254.36 and asserting that the Claim was secured.

The Claim of New Century will be investigated and, if appropriate, challenged by the Debtors. The Class 2 Allowed Claim shall be reduced by any Lender Liability Claims and all payments made by the Debtor or Debtor's borrowers to this Class prior to the Confirmation Hearing. Finally, the Debtor continues to investigate New Century's failure to assign back to the Debtors certain collateral assignments, despite receipt of the proper payoff.

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The Class 2 Allowed Claim shall be treated as follows: The Court shall value all of the Class 2 collateral and that value shall be the Class 2 Secured Claim. If the value of the collateral does not exceed the Class 2 Allowed Claim, the Class 2 Secured Claim shall be treated under this Class 2 and the deficiency claim shall be a Class 15 claim. In valuing the claim, the claim shall be divided into sub-notes which are tied to individual properties or collateral. The Class 2 Secured Claim shall be reduced by the full amount of all adequate protection payments, principal

payments and payoffs made to the lender as well as all tax payments made by the Debtors to maintain the subject Collateral from the Petition Date to the Effective Date.. The remaining Class 2 Secured Claim shall be paid in full within sixty (60) months of the Effective Date (the "Maturity Date"). The Class 2 Secured Claim shall be reset on the Effective Date and accrue interest at the rate of 2.0% for the first thirty-six (36) months after the Confirmation Date and at the rate of 3.25% for the following twenty-four (24) months. The Debtors shall make regular monthly payments of interest only on the Class 2 Secured Claim commencing thirty days after the Effective Date until the Maturity Date. The Debtors shall, as funds are collected attributable to principal by the Debtors, pay additional sums to the Class 2 Secured Claim for application to principal based upon the following: (a) fifty percent (50%) of monthly payments of principal paid by Debtor's Borrower to Debtor on any note which is collateral to this Class as and when received and (b) one hundred percent (100%) of any payoff or sale proceeds up to the amount of any sub-note attributable to the sold or paid off property.2 No legal fees or costs or appraisal fees or costs shall accrue with respect to the Class 2 Allowed Claim during the Bankruptcy Case. In the event of a default, the Class 2 Creditor shall first seek and obtain relief from the automatic stay to reach collateral securing Debtors' obligation to Class 2 creditor and exhaust all collection efforts with respect to the collateral securing Debtors' obligation to class 2 creditor before taking any action against the guarantors of the Debtors' obligation to class 2 creditor. Any and all cross-default and confession of judgment provisions in the Class 2 Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain

2 Upon such payoff, lender shall release all liens pertaining to the sub-note attributable to the sold or paid off property.

insurance, refrain from waste, provide unaudited financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 2 claim may be repaid at any time prior to Maturity Date without penalty. Class 2 shall retain all security interests and liens on the unpaid sub-notes until paid.

Foreclosure Treatment: From time to time, the Debtor may foreclose on one of its Borrowers whose note is collateral to this Class and a sub-note within the Class. In such instance, the Debtor, upon obtaining the Sheriff's deed, shall immediately place a mortgage lien on the property for the benefit of this Class in the amount of the sub-note attributable to that property. That sub-note shall be paid at 4.5% interest commencing the later of ninety (90) days after delivery of the Sheriff's deed or after completion of repairs by the Debtor with a twenty (20) year amortization of principal and a five (5) year balloon payment.

The treatment and consideration to be received by the holder of a Class 2 Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 2 Secured Claim, all liens and security interests of Class 2 shall be released.

Class 2 shall have the right to elect treatment under Section 1111(b). Such election shall be made at the conclusion of the hearing on the Disclosure Statement and the treatment so elected shall be as set forth in Section 5.10. Finally, the holder of the Class 2 claim has not agreed to its proposed treatment under the Plan.

Class 3. ~~Secured Claim of Valley National Bank.~~ **OMITTED.** ~~In its Schedules, Gelt Financial listed Valley National Bank ("Valley National") as the holder of a secured claim in the amount of $319,113.00 with respect to a loan and mortgage.~~

~~The Class 3 Allowed Claim shall be treated as follows: The Court shall value all of the Class 3 collateral and that value shall be the Class 3 Secured Claim. If the value of the collateral~~

~~does not exceed the Class 3 Allowed Claim, the Class 3 Secured Claim shall be treated under this Class 3 and the deficiency claim shall be a Class 15 claim. In valuing the claim, the loan shall be divided into sub-notes which are tied to individual properties and collateral. The Class 3 Secured Claim shall be reduced by the full amount of all adequate protection payments, principal payments and payoffs made to the lender as well as all tax payments made by the Debtors to maintain the subject Collateral from the Petition Date to the Effective Date.. The remaining Class 3 Secured Claim shall be paid in full within sixty (60) months of the Effective Date (the "Maturity Date"). The Class 3 Secured Claim shall be reset on the Effective Date and accrue interest at the rate of 2.0% for the first thirty-six (36) months after the Confirmation Date and at the rate of 3.25% for the following twenty-four (24) months. The Debtors shall make regular monthly payments of interest only on the Class 3 Secured Claim commencing thirty days after the Effective Date until the Maturity Date. The Debtors shall, as funds are collected attributable to principal by the Debtors, pay additional sums to the Class 3 Secured Claim for application to principal based upon the following: (a) fifty percent (50%) of monthly payments of principal paid by Debtor's Borrower to Debtor on any note which is collateral to this Class as and when received and (b) one hundred percent (100%) of any payoff or sale proceeds up to the amount of any sub-note attributable to the sold or paid off property.3 No legal fees or costs or appraisal fees or costs shall accrue with respect to the Class 3 Allowed Claim during the Bankruptcy Case. In the event of a default, the Class 3 Creditor shall first seek and obtain relief from the automatic stay to reach collateral securing Debtors' obligation to Class 3 creditor and exhaust all collection efforts with respect to the collateral securing Debtors' obligation to class 3 creditor before taking any action against the guarantors of the Debtors' obligation to class 3 creditor. Any and all~~

~~3 Upon such payoff, lender shall release all liens pertaining to the sub-note attributable to the sold or paid off property.~~

~~cross-default and confession of judgment provisions in the Class 3 Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain insurance, refrain from waste, provide unaudited financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 3 claim may be repaid at any time prior to Maturity Date without penalty. Class 3 shall retain all security interests and liens on the unpaid sub-notes until paid.~~

~~Foreclosure Treatment: From time to time, the Debtor may foreclose on one of its Borrowers whose note is collateral to this Class and a sub-note within the Class. In such instance, the Debtor, upon obtaining the Sheriff's deed, shall immediately place a mortgage lien on the property for the benefit of this Class in the amount of the sub-note attributable to that property. That sub-note shall be paid at 4.5% interest commencing on the later of ninety (90) days after delivery of the Sheriff's deed or after completion of all necessary repairs by the Debtor with a twenty (20) year amortization of principal and a five (5) year balloon payment.~~

~~The treatment and consideration to be received by the holder of a Class 3 Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 3 Secured Claim, all liens and security interests of Class 3 shall be released.~~

~~Class 3 shall have the right to elect treatment under Section 1111(b). Such election shall be made at the conclusion of the hearing on the Disclosure Statement and the treatment so elected shall be as set forth in Section 5.10. Finally, the holder of the Class 32 claim has not agreed to its proposed treatment under the Plan.~~

Class 4. **Secured Claim of National Penn Bank.**

A. **Class 4A**. In its Schedules, Gelt Financial listed National Penn Bank ("National Penn") as the holder of (a) a secured claim in the amount of $13,233.00 with respect to a mortgage on certain property located at 670 Stuyvesant Avenue, Trenton, New Jersey 08618; (b) a secured claim in the amount of $31,726.00 with respect to a mortgage on certain real property located at 290 South Main Street, Barnegat, New Jersey 08005 and (c) a secured claim in the amount of $1,295,903.00 with respect to other loans and mortgages.

B. **Class 4B**. In its schedules, Gelt Properties listed National Penn as the holder of various secured liens on real estate owned by Gelt Properties including (a) 108 MacDade Boulevard, Collingdale, Pennsylvania 19023; (b) 204 Barclay Street, Burlington, New Jersey 08016; (c) 2718 Oakford Street, Philadelphia, Pennsylvania 19134; (d) 56 N. Edgewood Street, Philadelphia, Pennsylvania 19139; (e) 21 N. Conestoga Street, Philadelphia, Pennsylvania 19139; and (f) 3848 Germantown Avenue, Philadelphia, Pennsylvania 19140.

The Class 4A Allowed Claim shall be treated as follows: The Court shall value all of the Class 4A collateral and that value shall be the Class 4A Secured Claim. If the value of the collateral does not exceed the Class 4A Allowed Claim, the Class 4A Secured Claim shall be treated under this Class 4A and the deficiency claim shall be a Class 15 claim. In valuing the Claim, the claim shall be divided into sub-notes which are tied to individual properties or collateral. The Class 4A Secured Claim shall be reduced by the full amount of all adequate protection payments, principal payments and payoffs made to the lender as well as all tax

payments made by the Debtors to maintain the subject Collateral from the Petition Date to the Effective Date. The remaining Class 4A Secured Claim shall be paid in full within sixty (60) months of the Effective Date. The Class 4A Secured Claim shall be reset on the Effective Date and accrue interest at the rate of 2.0% for the first thirty-six (36) months after the Confirmation Date and at the rate of 3.25% for the following twenty-four (24) months. The Debtors shall make regular monthly payments of interest only on the Class 4A Secured Claim commencing thirty days after the Effective Date. The Debtors shall, as funds are collected by the Debtors attributable to principal, pay additional sums to the Class 4A Secured Claim for application to principal based upon the following: (a) fifty percent (50%) of monthly payments of principal paid by Debtor's Borrower to Debtor on any note which is collateral to this Class as and when received and (b) one hundred percent (100%) of any payoff or sale proceeds up to the amount of any sub-note attributable to the sold or paid off property.4 No legal fees or costs or appraisal fees or costs shall accrue with respect to the Class 4A Allowed Claim during the Bankruptcy Case. In the event of a default, National Penn Bank shall first seek and obtain relief from the automatic stay to reach collateral securing Debtors' obligation to National Penn Bank and exhaust all collection efforts with respect to the collateral securing Debtors' obligation to National Penn Bank before taking any action against the guarantors of the Debtors' obligation to National Penn Bank. Any and all cross-default and confession of judgment provisions in the National Penn Bank Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain insurance, refrain from waste, provide unaudited

4 Upon such payoff, the lender shall release all liens pertaining to the sub-note attributable to the sold or paid off property.

financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 4A Claim may be repaid at any time prior to the Maturity Date without penalty. Class 4A shall retain all lien and security interests in the unpaid sub-notes until paid.

Foreclosure Treatment: From time to time, the Debtor may foreclose on one of its Borrowers whose note is collateral to this Class and a sub-note within the Class. In such instance, the Debtor, upon obtaining the Sheriff's deed, shall immediately place a mortgage lien on the property for the benefit of this Class in the amount of the sub-note attributable to that property. That sub-note shall be paid at 4.5% interest commencing on the later of ninety (90) days after delivery of the Sheriff's deed or after completion of all necessary repairs by the Debtor with a twenty (20) year amortization of principal and a five (5) year balloon payment.

The treatment and consideration to be received by the holder of a Class 4A Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 4A Secured Claim, all liens and security interests of Class 4A shall be released.

The Class 4B Allowed Claim shall be treated as follows: The Court shall value all of the Class 4B collateral and that value shall be the Class 4B Secured Claim. If the value of the collateral does not exceed the Class 4B Allowed Claim, the Class 4B Secured Claim shall be treated under this Class 4B and the deficiency claim shall be a Class 15 claim. In valuing the claim, the claim shall be divided into sub-notes which are tied to individual properties or collateral. The Class 4B Secured Claim shall be reduced by the full amount of all adequate protection payments, principal payments and payoffs made to the lender as well as all tax payments made by the Debtors to maintain the subject Collateral from the Petition Date to the Effective Date. The remaining Class 4B Secured Claim shall be paid in full within sixty (60) months of the Effective Date (the "Maturity Date"). The Class 4B Secured Claim shall be reset

on the Effective Date and accrue interest at the rate of 3.5% for the first twenty-four (24) months after the Confirmation Date and at the rate of 4.5% for the following thirty-six (36) months. The Debtors shall make regular monthly payments of interest only on the Class 4B Secured Claim. The Debtors may, as funds are collected by the Debtors, pay additional sums to the Class 4B Secured Claim for application to principal. No legal fees or costs or appraisal fees or costs shall accrue with respect to the Class 4B Allowed Claim during the Bankruptcy Case. In the event of a default, National Penn Bank shall first seek and obtain relief from the automatic stay to reach collateral securing Debtors' obligation to National Penn Bank and exhaust all collection efforts with respect to the collateral securing Debtors' obligation to National Penn Bank before taking any action against the guarantors of the Debtors' obligation to National Penn Bank. Any and all cross-default and confession of judgment provisions in the National Penn Bank Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain insurance, refrain from waste, provide unaudited financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 4B Claim may be repaid at any time prior to the Maturity Date without penalty. Class 4B shall retain all liens and security interests in the unpaid sub-notes until paid.

The treatment and consideration to be received by the holder of a Class 4B Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 4B Secured Claim, all liens and security interests of Class 4B shall be released.

Class 4A and 4B shall have the right to elect treatment under Section 1111(b). Such election shall be made at the conclusion of the hearing on the Disclosure Statement and the

treatment so elected shall be as set forth in Section 5.10. Finally, the holders of Class 4A and 4B claims have not agreed to their proposed treatment under the Plan.

Class 5. **Secured Claim of Bucks County Bank**. In its schedules, Gelt Financial listed Bucks County Bank ("BCB") as the holder of (a) a secured lien in the amount of $120,991.00 on real estate located at Fairview Avenue, Mt. Pocono, Pennsylvania 18344; (b) a secured lien in the amount of $48,629.00 on real estate located at 3793 Chalfont Drive, Philadelphia, Pennsylvania 19154; ~~and~~ (c) a secured claim in the amount of $1,021,842.00 with respect to other loans and mortgages; and (d) a secured lien in the amount of $163,431 on real estate located at 6315 N. Broad Street, Philadelphia, Pennsylvania.

The Class 5 Allowed Claim shall be treated as follows: The Court shall value all of the Class 5 collateral and that value shall be the Class 5 Secured Claim. If the value of the collateral does not exceed the Class 5 Allowed Claim, the Class 5 Secured Claim shall be treated under this Class 5 and the deficiency claim shall be a Class 15 claim. In valuing the Claim, the Claim shall be divided into sub-notes which are tied to individual properties or collateral. The Class 5 Secured Claim shall be reduced by the full amount of all adequate protection payments, principal payments and payoffs made to the lender as well as all tax payments made by the Debtors to maintain the subject Collateral from the Petition Date to the Effective Date. The remaining Class 5 Secured Claim shall be paid in full within sixty (60) months of the Effective Date (the "Maturity Date"). The Class 5 Secured Claim shall be reset on the Effective Date and accrue interest at the rate of 2.0% for the first thirty-six (36) months after the Confirmation Date and at the rate of 3.25% for the following twenty-four (24) months. The Debtors shall make regular monthly payments of interest only on the Class 5 Secured Claim commencing thirty days after the Effective Date until the Maturity Date. The Debtors shall, as funds are collected attributable

to principal by the Debtors, pay additional sums to the Class 5 Secured Claim for application to principal based upon the following: (a) fifty percent (50%) of monthly payments of principal paid by Debtor's Borrower to Debtor on any note which is collateral to this Class as and when received and (b) one hundred percent (100%) of any payoff or sale proceeds up to the amount of any sub-note attributable to the sold or paid off property.5 No legal fees or costs or appraisal fees or costs shall accrue with respect to the Class 5 Allowed Claim during the Bankruptcy Case. In the event of a default, the Class 5 Creditor shall first seek and obtain relief from the automatic stay to reach collateral securing Debtors' obligation to Class 5 creditor and exhaust all collection efforts with respect to the collateral securing Debtors' obligation to class 5 creditor before taking any action against the guarantors of the Debtors' obligation to class 5 creditor. Any and all cross-default and confession of judgment provisions in the Class 5 Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain insurance, refrain from waste, provide unaudited financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 5 claim may be repaid at any time prior to Maturity Date without penalty. Class 5 shall retain all security interests and liens in the unpaid sub-notes until paid.

Foreclosure Treatment: From time to time, the Debtor may foreclose on one of its Borrowers whose note is collateral to this Class and a sub-note within the Class. In such instance, the Debtor, upon obtaining the Sheriff's deed, shall immediately place a mortgage lien on the property for the benefit of this Class in the amount of the sub-note attributable to that

5 Upon such payoff, the lender shall release all liens pertaining to the sub-note attributable to the sold or paid off property.

property. That sub-note shall be paid at 4.5% interest commencing on the later of ninety (90) days after delivery of the Sheriff's deed or after completion of necessary repairs by the Debtor with a twenty (20) year amortization of principal and a five (5) year balloon payment.

The treatment and consideration to be received by the holder of a Class 5 Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 5 Secured Claim, all liens and security interests of Class 5 shall be released.

Class 5 shall have the right to elect treatment under Section 1111(b). Such election shall be made at the conclusion of the hearing on the Disclosure Statement and the treatment so elected shall be as set forth in Section 5.10. Finally, the holder of the Class 5 claim has not agreed to its proposed treatment under the Plan.

Class 6. **Secured Claim of Fox Chase Bank.**

A. **Class 6A.** In its schedules, Gelt Financial listed Fox Chase Bank ("Fox Chase") as the holder of (a) a secured lien in the amount of $136,534.00 on real estate located at 821 Whitelock Street, Baltimore, Maryland; (b) a secured lien in the amount of $49,500.00 on real estate located at 128 Hanford Place, Trenton, New Jersey 08609; and (c) a secured claim in the amount of $1,059,329.00 with respect to other loans and mortgages.

B. **Class 6B.** In its schedules, Gelt Properties listed Fox Chase Bank as the holder of (a) a secured lien in the amount of $105,000 on real property located at 1130 E. Wilt Street, Philadelphia, Pennsylvania; (b) a secured lien in the amount of $65,065 on real property located at 2354 E. Harold Street, Philadelphia, Pennsylvania; (c) a secured lien in the amount of $89,982 on real property located

at 1207 East Oxford Avenue, Philadelphia, Pennsylvania; (d) a secured lien in the amount of $79,427 on real property located at 2339 E. Huntingdon Street, Philadelphia, Pennsylvania; (e) a secured lien in the amount of $50,101 on real property located at 100 Greenway Avenue, Darby, Pennsylvania; (f) a secured lien in the amount of $50,836 on real property located at 4650 Marvin Street, Philadelphia, Pennsylvania; (g) a secured lien in the amount of $66,058 on real property located at 4909 Ogden Street, Philadelphia, Pennsylvania; (h) a secured lien in the amount of $13,894 on real property located at 873 N. 49th Street, Philadelphia, Pennsylvania; and (i) a secured lien in the amount of $13,894 on real property located at 875 N. 49th Street, Philadelphia, Pennsylvania.

The Class 6A Allowed Claim shall be treated as follows: The Class 6A Secured Claim shall be reset on the Effective Date and the Debtor will make monthly interest only payments at the Prime rate until January 1, 2014. Beginning January 2, 2014, the Debtor will begin making monthly principal and interest payments at the rate of 15 year treasury bill plus 300 bpts for the next thirty-six months based on a twenty year amortization schedule.

Upon receipt of funds from a borrower of the Debtor,110% of the Balance due for each property or net proceeds if it is less than 110% of the balance due will be paid by the Debtor to Fox Chase with the exception of the 821 Whitelock property.

In the event of a default, the Class 6A Creditor shall first seek and obtain relief from the automatic stay to reach collateral securing Debtors' obligation to Class 6A creditor and exhaust all collection efforts with respect to the collateral securing Debtors' obligation to class 6A creditor before taking any action against the guarantors of the Debtors' obligation to class 6A creditor. Any and all cross-default and confession of judgment provisions in the Class 6A Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no

further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain insurance, refrain from waste, provide unaudited financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 6A claim may be repaid at any time prior to Maturity Date without penalty. Class 6A shall retain all security and liens on the unpaid sub-notes until paid.

Foreclosure Treatment: From time to time, the Debtor may foreclose on one of its Borrowers whose note is collateral to this Class and a sub-note within the Class. In such instance, the Debtor, upon obtaining the Sheriff's deed, shall immediately place a mortgage lien on the property for the benefit of this Class in the amount of the sub-note attributable to that property. That sub-note shall be paid at 4.5% interest commencing on the later of ninety (90) days after delivery of the Sheriff's deed or after the completion of all necessary repairs by the Debtor with a twenty (20) year amortization of principal and a five (5) year balloon payment.

The treatment and consideration to be received by the holder of a Class 6A Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 6A Secured Claim, all liens and security interests of Class 6A shall be released.

The Class 6B Allowed Claim shall be treated as follows: The Class 6B Secured Claim shall be reset on the Effective Date and the Debtor will make monthly principal and interest payments at the rate of 5.5% based on a twenty year amortization schedule.

Upon receipt of funds from a borrower of the Debtor, 110% of the Balance due for each property or net proceeds if it is less than 110% of the balance due will be paid by the Debtor to Fox Chase with the exception of the 128 Hanford property.

In the event of a default, the Class 6B Creditor shall first seek and obtain relief from the automatic stay to reach collateral securing Debtors' obligation to Class 6B creditor and exhaust all collection efforts with respect to the collateral securing Debtors' obligation to class 6B creditor before taking any action against the guarantors of the Debtors' obligation to class 6B creditor. Any and all cross-default and confession of judgment provisions in the Class 6B Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain insurance, refrain from waste, provide unaudited financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 6A claim may be repaid at any time prior to Maturity Date without penalty. Class 6B shall retain all security and liens on the unpaid sub-notes until paid.

The treatment and consideration to be received by the holder of a Class 6B Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 6B Secured Claim, all liens and security interests of Class 6B shall be released. Finally, the holder of the Class 6 claims has not agreed to its proposed treatment under the Plan.

Class 7. Secured Claim of Republic First Bank.

~~A.~~ **Class 7A.** In its schedules, Gelt Financial listed Republic First Bank ("Republic") as the holder of (a) a secured lien in the amount of $35,937.00 on real estate located at 603 W. 5th Street, Wilmington, Delaware 19801; (b) a secured lien in the amount of $27,148.00 on real estate located at 1702 West 3rd Street, Wilmington, Delaware 19801; (c) a secured lien in the amount of $120,506.00 on real estate located at 317-

319 Main Street, Kerhonkson, New York, 12446; (d) a secured claim in the amount of $202,983.00 with respect to other loans and mortgages related to real property located at 129 N. Rodney Street, Wilmington, Delaware and real property located at 135 W. 63rd Street, Philadelphia, Pennsylvania as well as real ~~property~~ property located at 127 Cove Road, Wenonah, New Jersey; and ~~and~~ (e) a secured lien in the amount of $83,712 on real property located at 485-487 South 18th Street, Woodland, Pennsylvania. ~~; (f) a secured lien in the amount of $ on real property located at 129 N. Rodney Street, Wilmington, Delaware; (g) a secured lient in the amount of $ on real property located at 135 W. 63rd Street, Philadelphia, Pennsylvania; and a secured lien in the amount of $ on real property located at 127 Cove Road, Wenonah, New Jersey.~~

B.A. **Class 7B**. In its schedules, Gelt Properties listed Republic as the holder of a secured lien in the amount of $29,835.00 on real estate located at 1305 Claymont Avenue, Wilmington, Delaware 19801. The Claim of Republic First Bank will be investigated and, if appropriate, challenged by the Debtors. The Class 7 Allowed Claim shall be reduced by any Lender Liability Claims.

The Class 7A Allowed Claim shall be treated as follows: The Court shall value all of the Class 7A collateral and that value shall be the Class 7A Secured Claim. If the value of the collateral does not exceed the Class 7A Allowed Claim, the Class 7A Secured Claim shall be treated under this Class 7A and the deficiency claim shall be a Class 15 claim. In valuing the Claim, the claim shall be divided into sub-notes which are tied to individual properties or collateral. The Class 7A Secured Claim shall be reduced by the full amount of all adequate protection payments, principal payments and payoffs made to the lender as well as all tax

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payments made by the Debtors to maintain the subject Collateral from the Petition Date to the Effective Date. The remaining Class 7A Secured Claim shall be paid in full within sixty (60) months of the Effective Date (the "Maturity Date"). The Class 7A Secured Claim shall be reset on the Effective Date and accrue interest at the rate of 2.0% for the first thirty-six (36) months after the Confirmation Date and at the rate of 3.25% for the following twenty-four (24) months. The Debtors shall make regular monthly payments of interest only on the Class 7A Secured Claim commencing thirty days after the Effective Date. The Debtors shall, as funds are collected by the Debtors attributable to principal, pay additional sums to the Class 7A Secured Claim for application to principal based upon the following: (a) fifty percent (50%) of monthly payments of principal paid by Debtor's Borrower to Debtor on any note which is collateral to this Class as and when received and (b) one hundred percent (100%) of any payoff or sale proceeds up to the amount of any sub-note attributable to the sold or paid off property.6 No legal fees or costs or appraisal fees or costs shall accrue with respect to the Class 7A Allowed Claim during the Bankruptcy Case. In the event of a default, Republic First Bank shall first seek and obtain relief from the automatic stay to reach collateral securing Debtors' obligation to Republic First Bank and exhaust all collection efforts with respect to the collateral securing Debtors' obligation to Republic First Bank before taking any action against the guarantors of the Debtors' obligation to Republic First Bank. Any and all cross-default and confession of judgment provisions in the Republic First Bank Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain insurance, refrain from waste, provide unaudited

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6 Upon such payoff, lender shall release all liens pertaining to the sub-note and attributable to the sold or paid off property.

financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 7A Claim may be repaid at any time prior to the Maturity Date without penalty. Class 7A shall retain all liens and security interests in the unpaid sub-notes until paid.

Foreclosure Treatment: From time to time, the Debtor may foreclose on one of its Borrowers whose note is collateral to this Class and a sub-note within the Class. In such instance, the Debtor, upon obtaining the Sheriff's deed, shall immediately place a mortgage lien on the property for the benefit of this Class in the amount of the sub-note attributable to that property. That sub-note shall be paid at 4.5% interest commencing on the later of ninety (90) days after delivery of the Sheriff's deed or after completion of all necessary repairs by the Debtor with a twenty (20) year amortization of principal and a five (5) year balloon payment.

The treatment and consideration to be received by the holder of a Class 7A Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 7A Secured Claim, all liens and security interests of Class 7A shall be released.

The Class 7B Allowed Claim shall be treated as follows: The Court shall value all of the Class 7B collateral and that value shall be the Class 7B Secured Claim. If the value of the collateral does not exceed the Class 7B Allowed Claim, the Class 7B Secured Claim shall be treated under this Class 7B and the deficiency claim shall be a Class 15 claim. In valuing the claim, the claim shall be divided into sub-notes which are tied to individual properties or collateral. The Class 7B Secured Claim shall be reduced by the full amount of all adequate protection payments, principal payments and payoffs made to the lender as well as all tax payments made by the Debtors to maintain the subject Collateral from the Petition Date to the Effective Date. The remaining Class 7B Secured Claim shall be paid in full within sixty (60) months of the Effective Date (the "Maturity Date"). The Class 7B Secured Claim shall be reset

on the Effective Date and accrue interest at the rate of 3.5% for the first twenty-four (24) months after the Confirmation Date and at the rate of 4.5% for the following thirty-six (36) months. The Debtors shall make regular monthly payments of interest only on the Class 7B Secured Claim. The Debtors may, as funds are collected by the Debtors, pay additional sums to the Class 7B Secured Claim for application to principal. No legal fees or costs or appraisal fees or costs shall accrue with respect to the Class 7B Allowed Claim during the Bankruptcy Case. In the event of a default, Republic First Bank shall first seek and obtain relief from the automatic stay to reach collateral securing Debtors' obligation to Republic First Bank and exhaust all collection efforts with respect to the collateral securing Debtors' obligation to Republic First Bank before taking any action against the guarantors of the Debtors' obligation to Republic First Bank. Any and all cross-default and confession of judgment provisions in the Republic First Bank Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain insurance, refrain from waste, provide unaudited financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 7B Claim may be repaid at any time prior to the Maturity Date without penalty. Class 7B shall retain all liens and security interests in the unpaid sub-notes until paid.

The treatment and consideration to be received by the holder of a Class 7B Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 7B Secured Claim, all liens and security interests of Class 7B shall be released.

Class 7A and 7B shall have the right to elect treatment under Section 1111(b). Such election shall be made at the conclusion of the hearing on the Disclosure Statement and the

treatment so elected shall be as set forth in Section 5.10. Finally, the holder of the Class 7 claims has not agreed to its proposed treatment under the Plan.

Class 8. **Secured Claim of East Coast Financial**. In its schedules, Gelt Properties listed East Coast Bank ("East Coast") as the holder of a secured lien in the amount of $167,999.00 on real estate located at 4433 Sansom Street, Philadelphia, Pennsylvania 19104.

The Class 8 Allowed Claim shall be treated as follows: The Court shall value all of the Class 8 collateral and that value shall be the Class 8 Secured Claim. If the value of the collateral does not exceed the Class 8 Allowed Claim, the Class 8 Secured Claim shall be treated under this Class 8 and the deficiency claim shall be a Class 15 claim. In valuing the claim, the claim shall be divided into sub-notes which are tied to individual property or collateral. The Class 8 Secured Claim shall be reduced by the full amount of all adequate protection payments, principal payments and payoffs made to the lender as well as all tax payments made by the Debtors to maintain the subject Collateral from the Petition Date to the Effective Date. The remaining Class 8 Secured Claim shall be paid in full within sixty (60) months of the Effective Date (the "Maturity Date"). The Class 8 Secured Claim shall be reset on the Effective Date and accrue interest at the rate of 3.5% for the first thirty-six (36) months after the Confirmation Date and at the rate of 4.55% for the following twenty-four (24) months. The Debtors shall make regular monthly payments of interest only on the Class 8 Secured Claim commencing thirty days after the Effective Date until the Maturity Date. The Debtors shall, as funds are collected attributable to principal by the Debtors, pay additional sums to the Class 8 Secured Claim for application to principal based upon the following: (a) fifty percent (50%) of monthly payments of principal paid by Debtor on any note which is collateral to this Class as and when received and (b) one hundred percent (100%) of any payoff or sale proceeds up to the amount of any sub-note

attributable to the sold or paid off property.7 No legal fees or costs or appraisal fees or costs shall accrue with respect to the Class 8 Allowed Claim during the Bankruptcy Case. In the event of a default, the Class 8 Creditor shall first seek and obtain relief from the automatic stay to reach collateral securing Debtors' obligation to Class 8 creditor and exhaust all collection efforts with respect to the collateral securing Debtors' obligation to class 8 creditor before taking any action against the guarantors of the Debtors' obligation to class 8 creditor. Any and all cross-default and confession of judgment provisions in the Class 8 Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain insurance, refrain from waste, provide unaudited financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 8 claim may be repaid at any time prior to Maturity Date without penalty. Class 8 shall retain all security interests and liens on the unpaid sub-notes until paid.

East Coast has a separate claim in the amount of $179,866.50 as a fifty percent loan participation in the loans with Kozolska Oxford and Stallworth (2170, 2694 and 2409). The participation agreement shall be assumed by the Debtor upon confirmation. These participations were in the loans and in the acquisition of title to collateral.

The treatment and consideration to be received by the holder of a Class 8 Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 8 Secured Claim, all liens and security interests of Class 8 shall be released.

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7 Upon such payoff, lender shall release all liens pertaining to the sub-note and attributable to the sold or paid off property.

Class 8 shall have the right to elect treatment under Section 1111(b). Such election shall be made at the conclusion of the hearing on the Disclosure Statement and the treatment so elected shall be as set forth in Section 5.10. Finally, the holder of the Class 8 claim has not agreed to its proposed treatment under the Plan.

Class 9. Secured Claim of Univest National Bank.

A. **Class 9A**. In its amended schedules, Gelt Financial listed Univest National Bank ("Univest") as the holder of (a) a secured lien in the amount of $619,137.00 on real estate located at 2611 East 61st Street, Kansas City, Missouri 64130; and (b) a secured claim in the amount of $3,829,853.00 with respect to other loans and mortgages.

B. **Class 9B**. In its schedules, Gelt Properties listed Univest as the holder of a secured lien in the amount of $37,800.00 on real estate located at 196 Clay Street, Rochester, Pennsylvania 15074.

The Class 9A and 9B Allowed Claims shall be treated as follows: Univest agrees to permit the transfer of the underlying Real Property as part of the KC Settlement free and clear of its liens, claims and encumbrances and to reduce its entitlement to the $675,000 proceeds of such transfer to $400,000 (the "Up Front Payment"). The Up Front Payment shall be paid by the Debtor to Univest within 5 days of the Debtor's receipt of payment pursuant to the City Settlement Agreement and/or the KC Settlement Agreement. The Up Front Payment shall be free and clear of any claims by any party receiving notice of this Motion and shall not be subject to any claim, demand, set-off or other reduction. The remaining $275,000 shall be considered a carve-out from Univest collateral and available to the Debtor for administrative and other obligations as indicated in the Order Approving the settlement with Univest.

Finally, (The Debtor ~~will make~~made a further payment to Univest in the sum of $44,693.51, which payment represents amounts tendered to Univest post-petition for transactions of Univest collateral pre-petition, that were not subject to the Procedures Motions filed in this Court. Such sums had been returned earlier to the Debtor by Univest. The aforementioned sums shall be paid to Univest within 5 days of the entry of a final, non-appealable Order of this Court, approving the Univest Settlement. In return for the payments referenced above, Univest will reduce the Univest Claims to $3,000,000, which sum includes attorneys fees, interest and late fees as of the date of this Agreement (the "Reduced Indebtedness" and/or the Amended Univest Claims"). The Amended Univest Claims shall be deemed to be allowed, uncontested and secured. Should the Debtors' bankruptcy cases be converted, dismissed or the Debtors fail to propose a confirmable plan of reorganization, the Amended Univest Claims shall revert back to the full amount of the Indebtedness, with credit being given for the payments made and received and referenced above.

The Debtors and Univest intend to enter into standard loan documents, modifying and restating its prior obligations, consistent with the terms herein and inclusive of the following:

(a) The Reduced Indebtedness will be paid over a seven year term, with payment of interest only at the rate of 3% for years 1-3 and 4% for years 4-7. A balloon payment of all remaining Reduced Indebtedness will be due at the end of the 7 year term.

(b) As properties are sold that secure the Univest Loan, Univest will be paid 100% of its 70% advance for said property and said payment will be applied to principal. If any such sale does not result in a payment of 100% of the 70% advance, Univest shall have the deficiency paid from future sales that exceed the 100%/70% standard.

(c) The Parties will reach agreement as to the timing and notice procedures of mortgage extensions.

(d) The Reduced Indebtedness will be secured in the same manner as the Indebtedness and will be guaranteed by Gelt Properties, LLC, Uri Shoham, H. Jack Miller and M. Ari Miller. All guaranty documents will include confession of judgement provisions and will provide a 180 day cure period.

(e) The terms and conditions of the foregoing paragraphs a. - e. shall be incorporated in and subject to the Debtors' Plan of Reorganization. To the extent the Debtors' bankruptcy cases are converted, dismissed or the Debtors are unable to confirm a plan of reorganization, the foregoing revised payment terms will be *void ab initio* and the Indebtedness, with credit being given for the payments referenced above.

The treatment and consideration to be received by the holder of a Class 9A and 9B Allowed Claims shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 9A and 9B Secured Claims, all liens and security interests of Class 9B shall be released.

Class 10. Secured Claim of Dov Junik. In its amended schedules Gelt Financial listed, Dov Junik ("Dov Junik") as the holder of (a) a secured lien in the amount of $120,000.00 on real estate located at 3844 Germantown Avenue, Philadelphia, Pennsylvania 19140; (b) a secured lien in the amount of $135,167.00 on real estate

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located at 3850 Germantown Avenue, Philadelphia, Pennsylvania 19104; and (c) a junior lien on real estate located at 3848 Germantown Avenue, Philadelphia, Pennsylvania in the amount of $30,334.

The Class 10 Allowed Claim shall be treated as follows:

Valuation

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The Court shall value all of the Class 10 collateral and that value shall be the Class 10 Secured Claim. If the value of the collateral does not exceed the Class 10 Allowed Claim, the Class 10 Secured Claim shall be treated under this Class 10 and the deficiency claim shall be a Class 15 claim. In valuing the claim, the claim shall be divided into sub-notes which are tied to individual properties or collateral. Notwithstanding any valuation and readjustment of the class 10 Allowed Claim, in the event that the class 10 collateral is sold for an amount that exceeds the Valuation, then the class 10 allowed claim shall be deemed to be the amount of sale.

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Treatment and Security

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Epps Property: Dov Junik's Interest in the Debtors' real property located at 428 Central Avenue, East Orange, New Jersey and commonly referred to as the Epps Property is affirmed as a junior lien upon the Effective Date and appropriate documentation shall be executed in conjunction therewith.

Nemrod Property: The Debtors and Dov Junik agree that by way of his Interest in this property, Dov Junik is secured on account of his interest in any and all proceeds, up to $86, 056.32, recovered as a result of the Debtors' prosecution of that certain title insurance claim based upon unforeseen and unmitigated title issues with this property (the "Title Insurance Claim").

To extent that the Debtors' potential recovery of the Title Insurance Claim does not satisfy the Junik claim, the balance is an allowed 15A claim.

Westerly Property; Westerly Hills Partners, LLC, has agreed to provide Dov Junik with a third mortgage on the property it owns located at Westerly Hills Plaza, 2305-3420 Wilkinson Blvd., Charlotte, North Carolina and commonly known as the Westerly Property. Westerly Hills Partners, LLC has agreed to execute an amendment to that certain note and has agreed to provide Dov Junik with the appropriate mortgage documents on or before the Effective Date. Westerly Hills Partners, LLC is a non-debtor entity. However, Westerly Hills Partners, LLC is controlled by Jack Miller and Shaya Deitsch. The treatment of the holder of this third mortgage is as follows: An amended note providing for equal monthly payments of principal and interest at 7.5% based upon a 15 year amortization with a balloon of all unpaid principal in twenty four months with a 12 month extension available upon the receipt of twenty four timely payments in accordance with this Plan.

~~**Secured Claim of Dov Junik**. In its amended schedules Gelt Financial listed, Dov Junik ("Dov Junik") as the holder of (a) a secured lien in the amount of $120,000.00 on real estate located at 3844 Germantown Avenue, Philadelphia, Pennsylvania 19140; (b) a secured lien in the amount of $135,167.00 on real estate located at 3850 Germantown Avenue, Philadelphia, Pennsylvania 19104; and (c) a junior lien on real estate located at 3848 Germantown Avenue, Philadelphia, Pennsylvania in the amount of $30,334.~~

~~The Class 10 Allowed Claim shall be treated as follows:~~

~~**Valuation**~~

~~The Court shall value all of the Class 10 collateral and that value shall be the Class 10 Secured Claim. If the value of the collateral does not exceed the Class 10 Allowed Claim, the Class 10 Secured Claim shall be treated under this Class 10 and the deficiency claim shall be a~~

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Class 15 claim. In valuing the claim, the claim shall be divided into sub-notes which are tied to individual properties or collateral.

Treatment and Security

Epps Property: Dov Junik's Participation **Interest** in the **Debtor's' real property located at 428 Central Avenue, East Orange, New Jersey and commonly referred to as the** Epps Property will be converted to a junior lien upon the Effective Date.

Nemrod Property: **The Debtors and Dov Junik agree that by way of his Participation Interest in this property, Dov Junik is secured in any and all proceeds up to $ 86, 056.32 recovered as a result of the Debtor'ss' prosecution of that certain title insurance claim.**

Additional CollateralWesterly Property: As additional collateral for his Class 10 Claim, a non-debtor entity, Westerly Hills Partners, LLChip, has agreed to provide Dov Junik with a third mortgage on the property it owns located at Westerly Hills Plaza, 2305-3420 Wilkinson Blvd., Charlotte, North Carolina and commonly known as the Westerly Property. Westerly Hills Partners, LLC is a non-debtor entity. However, Westerly Hills Partners, LLC is controlled by Jack Miller and Shaya Deitsch. The treatment of the holder of this third mortgage is as follows: An amended note providing for equal monthly payments of principal and interest at 7.5% based upon a 15 year amortization with a balloon of all unpaid principal in twenty four months, with a 12 month extension available upon the receipt of twenty four timely payments, two years. **I spoke to him and he will call me latter. We went back with 24 month balloon, if we are paying on time a 12 month extention and a 7.5% rate.**

The Class 10 Secured Claim shall be reduced by the full amount of all adequate protection payments, principal payments and payoffs made to the lender as well as all tax

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payments made by the Debtors to maintain the subject Collateral from the Petition Date to the Effective Date. The remaining Class 10 Secured Claim shall be paid in full within sixty (60) months of the Effective Date (the "Maturity Date"). The Class 10 Secured Claim shall be reset on the Effective Date and accrue interest at the rate of 2.0% for the first thirty-six (36) months after the Confirmation Date and at the rate of 3.25% for the following twenty-four (24) months. The Debtors shall make regular monthly payments of interest only on the Class 10 Secured Claim commencing thirty days after the Effective Date until the Maturity Date. The Debtors shall, as funds are collected attributable to principal by the Debtors, pay additional sums to the Class 10 Secured Claim for application to principal based upon the following: (a) fifty percent (50%) of monthly payments of principal paid by Debtor's Borrower to Debtor on any note which is collateral to this Class, as and when received and (b) one hundred percent (100%) of any payoff or sale proceeds up to the amount of any sub-note attributable to the sold or paid off property.8 No legal fees or costs or appraisal fees or costs shall accrue with respect to the Class 10 Allowed Claim during the Bankruptcy Case. In the event of a default, the Class 10 Creditor shall first seek and obtain relief from the automatic stay to reach collateral securing Debtors' obligation to Class 10 creditor and exhaust all collection efforts with respect to the collateral securing Debtors' obligation to class 10 creditor before taking any action against the guarantors of the Debtors' obligation to class 10 creditor. Any and all cross default and confession of judgment provisions in the Class 10 Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain insurance, refrain from waste,

8 Upon such payoff, the lender shall release all liens pertaining to the sub-note and attributable to the sold or paid off property.

~~provide unaudited financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 10 claim may be repaid at any time prior to Maturity Date without penalty. Class 10 shall retain all security interests and liens on the unpaid sub-notes until paid.~~

~~Foreclosure Treatment: From time to time, the Debtor may foreclose on one of its Borrowers whose note is collateral to this Class and a sub-note within the Class. In such instance, the Debtor, upon obtaining the Sheriff's deed, shall immediately place a mortgage lien on the property for the benefit of this Class in the amount of the sub-note attributable to that property. That sub-note shall be paid at 4.5% interest commencing on the later of ninety (90) days after delivery of the Sheriff's deed or after completion of repairs by the Debtor with a twenty (20) year amortization of principal and a five (5) year balloon payment.~~

~~The treatment and consideration to be received by the holder of a Class 10 Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 10 Secured Claim, all liens and security interests of Class 10 shall be released.~~

~~Class 10 shall have the right to elect treatment under Section 1111(b). Such election shall be made at the conclusion of the hearing on the Disclosure Statement and the treatment so elected shall be as set forth in Section 5.10.~~

Class 11A. **Secured Claim of Uri & Rachel Shoham**. In its amended schedules, Gelt Financial listed Uri and Rachel Shoham (the "Shohams") as the holders of a secured lien in the amount of $122,451.00 on real estate located at 2401 Turner Street, Philadelphia, Pennsylvania 19121 and Junior Liens in the amount of $121,000 on real estate located at 204 Barclay Street, Burlington, New Jersey 08016 and 204 19th Avenue, Irvington, New Jersey 07111.

The Class 11A Allowed Claim shall be treated as follows: The Court shall value all of the Class 11A collateral and that value shall be the Class 11A Secured Claim. If the value of the collateral does not exceed the Class 11A Allowed Claim, the Class 11A Secured Claim shall be treated under this Class 11A and the deficiency claim shall be a Class 15 claim. In valuing the claim, the claim shall be divided into sub-notes which are tied to individual properties or collateral. The Class 11A Secured Claim shall be reduced by the full amount of all adequate protection payments, principal payments and payoffs made to the lender as well as all tax payments made by the Debtors to maintain the subject Collateral from the Petition Date to the Effective Date. The remaining Class 11A Secured Claim shall be paid in full within sixty (60) months of the Effective Date (the "Maturity Date"). The Class 11A Secured Claim shall be reset on the Effective Date and accrue interest at the rate of 2.0% for the first thirty-six (36) months after the Confirmation Date and at the rate of 3.25% for the following twenty-four (24) months. The Debtors shall make regular monthly payments of interest only on the Class 11A Secured Claim commencing thirty days after the Effective Date until the Maturity Date. The Debtors shall, as funds are collected attributable to principal by the Debtors, pay additional sums to the Class 11A Secured Claim for application to principal based upon the following: (a) fifty percent (50%) of monthly payments of principal paid by Debtor's Borrower to Debtor on any note which is collateral to this Class as and when received and (b) one hundred percent (100%) of any payoff or sale proceeds up to the amount of any sub-note attributable to the sold or paid off property.9 No legal fees or costs or appraisal fees or costs shall accrue with respect to the Class 11A Allowed Claim during the Bankruptcy Case. In the event of a default, the Class 11A Creditor shall first seek and obtain relief from the automatic stay to reach collateral securing

9 Upon such payoff, the lender shall release all liens pertaining to the sub-note and attributable to the sold or paid off property.

Debtors' obligation to Class 11A creditor and exhaust all collection efforts with respect to the collateral securing Debtors' obligation to class 11A creditor before taking any action against the guarantors of the Debtors' obligation to class 11A creditor. Any and all cross-default and confession of judgment provisions in the Class 11A Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain insurance, refrain from waste, provide unaudited financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 11A claim may be repaid at any time prior to Maturity Date without penalty. Class 11A shall retain all security interests and liens on the unpaid sub-notes until paid.

Foreclosure Treatment: From time to time, the Debtor may foreclose on one of its Borrowers whose note is collateral to this Class and a sub-note within the Class. In such instance, the Debtor, upon obtaining the Sheriff's deed, shall immediately place a mortgage lien on the property for the benefit of this Class in the amount of the sub-note attributable to that property. That sub-note shall be paid at 4.5% interest commencing on the later of ninety (90) days after delivery of the Sheriff's deed or after completion of all necessary repairs by the Debtor with a twenty (20) year amortization of principal and a five (5) year balloon payment.

The treatment and consideration to be received by the holder of a Class 11A Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 11A Secured Claim, all liens and security interests of Class 11A shall be released.

Class 11A shall have the right to elect treatment under Section 1111(b). Such election shall be made at the conclusion of the hearing on the Disclosure Statement and the treatment so elected shall be as set forth in Section 5.10.

Class 11B. **Secured Claim of Ari & Sara Miller.** In its amended schedules, Gelt Properties listed Ari and Sara Miller (the "Millers") as the holders of Junior Liens in the amount of $121,000 on 108-110 MacDade Boulevard, Collingdale, Pennyslvania, 19023 and 1130 East Wilt Street, Philadelphia, Pennsylvania, 19125.

The Class 11B Allowed Claim shall be treated as follows: The Court shall value all of the Class 11B collateral and that value shall be the Class 11B Secured Claim. If the value of the collateral does not exceed the Class 11B Allowed Claim, the Class 11B Secured Claim shall be treated under this Class 11B and the deficiency claim shall be a Class 15 claim. In valuing the claim, the claim shall be divided into sub-notes which are tied to individual properties or collateral. The Class 11B Secured Claim shall be reduced by the full amount of all adequate protection payments, principal payments and payoffs made to the lender as well as all tax payments made by the Debtors to maintain the subject Collateral from the Petition Date to the Effective Date. The remaining Class 11B Secured Claim shall be paid in full within sixty (60) months of the Effective Date (the "Maturity Date"). The Class 11B Secured Claim shall be reset on the Effective Date and accrue interest at the rate of 2.0% for the first thirty-six (36) months after the Confirmation Date and at the rate of 3.25% for the following twenty-four (24) months. The Debtors shall make regular monthly payments of interest only on the Class 11B Secured Claim commencing thirty days after the Effective Date until the Maturity Date. The Debtors shall, as funds are collected attributable to principal by the Debtors, pay additional sums to the Class 11B Secured Claim for application to principal based upon the following: (a) fifty percent

(50%) of monthly payments of principal paid by Debtor's Borrower to Debtor on any note which is collateral to this Class as and when received and (b) one hundred percent (100%) of any payoff or sale proceeds up to the amount of any sub-note attributable to the sold or paid off property.10 No legal fees or costs or appraisal fees or costs shall accrue with respect to the Class 11B Allowed Claim during the Bankruptcy Case. In the event of a default, the Class 11B Creditor shall first seek and obtain relief from the automatic stay to reach collateral securing Debtors' obligation to Class 11B creditor and exhaust all collection efforts with respect to the collateral securing Debtors' obligation to class 11B creditor before taking any action against the guarantors of the Debtors' obligation to class 11B creditor. Any and all cross-default and confession of judgment provisions in the Class 11B Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain insurance, refrain from waste, provide unaudited financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 11B claim may be repaid at any time prior to Maturity Date without penalty. Class 11B shall retain all security interests and liens on the unpaid sub-notes until paid.

Foreclosure Treatment: From time to time, the Debtor may foreclose on one of its Borrowers whose note is collateral to this Class and a sub-note within the Class. In such instance, the Debtor, upon obtaining the Sheriff's deed, shall immediately place a mortgage lien on the property for the benefit of this Class in the amount of the sub-note attributable to that property. That sub-note shall be paid at 4.5% interest commencing on the later of ninety (90)

10 Upon such payoff, the lender shall release all liens pertaining to the sub-note and attributable to the sold or paid off property.

days after delivery of the Sheriff's deed or after completion of all necessary repairs by the Debtor with a twenty (20) year amortization of principal and a five (5) year balloon payment.

The treatment and consideration to be received by the holder of a Class 11B Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 11B Secured Claim, all liens and security interests of Class 11B shall be released.

Class 11B shall have the right to elect treatment under Section 1111(b). Such election shall be made at the conclusion of the hearing on the Disclosure Statement and the treatment so elected shall be as set forth in Section 5.10.

Class 12. **Secured Claim of VFC Partners 6**. In its schedules, Gelt Financial listed VFC Partners ("VFC") as the holder of a secured lien in the amount of $240,975.00 with respect to certain loans and mortgages related to the Cherubin Note and Miller Note. The Class 12 Allowed Claim shall be treated as follows: The Gelt Financial Debtor shall pay VFC $150,000.00 plus interest at a rate of 3.25% per annum as follows: (a) $60,000.00 within three (3) days of the entry of the within order by the Court via wire transfer in accordance with e-mail directions provided by VFC directly to the Debtor (the "Initial Payment"); (b) eighteen (18) monthly payments of $5,000.00 commencing March 1, 2012 (the "Periodic Payments"); and (c) the final payment on the nineteenth (19^{th}) month, September, 2013 in an amount equal to any outstanding unpaid obligations associated with the herein payment provision (the "Final Payment").

In the event that the Cherubin Note is satisfied, the Debtor shall remit to VFC 90% of the satisfaction payment within three (3) business days of the Debtor's receipt of the satisfaction payment.In the event that the Miller Note is satisfied, the Debtor shall remit to VFC 90% of the satisfaction payment within three (3) business days of the Debtor's receipt of the satisfaction

payment. To the extent that there are any unpaid real estate taxes or insurance obligations relating to the underlying property securing the Cherubin Note and/or the Miller Note, the Debtor will cure such deficiencies within forty five (45) business days of the entry of the within order and shall provide VFC with evidence that these obligations have been satisfied. The Debtor further will continue to confirm satisfaction of any future real estate tax obligations and insurance obligations associated with the Cherubin Note and the Miller Note upon reasonable request from VFC.

An event of default, shall include Debtor's failure to timely make any payments provided in paragraph 2 through 5 of the VFC Agreement.

So long as the Debtor remains in compliance with terms hereof without default, VFC shall forebear from exercising its rights against the Guarantors. Upon receipt of the Final Payment set forth herein, VFC shall discharge and deem satisfied the obligations under the Loan Documents as against the Debtor. Further, as long as there are no defaults under the terms hereof, upon receipt of the Final Payment, VFC will discharge and deem satisfied the obligations of the Guarantors.

Class 13. **Secured Claim of VIST Bank.**

A. **Class 13A.** In its schedules, Gelt Financial listed VIST Bank ("VIST") as the holder of a secured lien in the amount of $2,484,957.00 with respect to certain loans and mortgages. VIST filed a proof of claim alleging a Claim in the amount totaling

$2,763,857.97 and asserting that the Claim was secured by a perfected security interest in Gelt Financial's property.

B. **Class 13B**. In its schedules, Gelt Properties listed VIST as the holder of (a) a secured lien in the amount of $146,560.00 on real estate located at 3705 Haverford Avenue, Philadelphia, Pennsylvania 19107; and (b) a secured lien in the amount of $120,747.00 on real estate located at 1020 Hudson Street, Trenton, New Jersey 08611.

The Class 13A Allowed Claim shall be treated as follows: The Court shall value all of the Class 13A collateral and that value shall be the Class 13A Secured Claim. If the value of the collateral does not exceed the Class 13A Allowed Claim, the Class 13A Secured Claim shall be treated under this Class 13A and the deficiency claim shall be a Class 15 claim. In valuing the claim, the claim shall be divided into sub-notes which are tied to individual properties or collateral. The Class 13A Secured Claim shall be reduced by the full amount of all adequate protection payments, principal payments and payoffs made to the lender as well as all tax payments made by the Debtors to maintain the subject Collateral from the Petition Date to the Effective Date. The remaining Class 13A Secured Claim shall be paid in full within sixty (60) months of the Effective Date (the "Maturity Date"). The Class 13A Secured Claim shall be reset on the Effective Date and accrue interest at the rate of 2.0% for the first thirty-six (36) months after the Confirmation Date and at the rate of 3.25% for the following twenty-four (24) months. The Debtors shall make regular monthly payments of interest only on the Class 13A Secured Claim commencing thirty days after the Effective Date. The Debtors shall, as funds are collected by the Debtors attributable to principal, pay additional sums to the Class 13A Secured Claim for application to principal based upon the following: (a) fifty percent (50%) of monthly payments

of principal paid by Debtor's Borrower to Debtor on any note which is collateral to this Class as and when received and (b) one hundred percent (100%) of any payoff or sale proceeds up to the amount of any sub-note attributable to the sold or paid off property.11 No legal fees or costs or appraisal fees or costs shall accrue with respect to the Class 13A Allowed Claim during the Bankruptcy Case. In the event of a default, VIST Bank shall first seek and obtain relief from the automatic stay to reach collateral securing Debtors' obligation to VIST Bank and exhaust all collection efforts with respect to the collateral securing Debtors' obligation to VIST Bank before taking any action against the guarantors of the Debtors' obligation to VIST Bank. Any and all cross-default and confession of judgment provisions in the VIST Bank Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain insurance, refrain from waste, provide unaudited financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 13A Claim may be repaid at any time prior to the Maturity Date without penalty. Class 13A shall retain all lien and security interests on the unpaid sub-notes until paid.

Foreclosure Treatment: From time to time, the Debtor may foreclose on one of its Borrowers whose note is collateral to this Class and a sub-note within the Class. In such instance, the Debtor, upon obtaining the Sheriff's deed, shall immediately place a mortgage lien on the property for the benefit of this Class in the amount of the sub-note attributable to that property. That sub-note shall be paid at 4.5% interest commencing on the later of ninety (90)

11 Upon such payoff, lender shall release all liens pertaining to the sub-note attributable to the sold or paid off property.

days after delivery of the Sheriff's deed or after completion of necessary repairs by the Debtor with a twenty (20) year amortization of principal and a five (5) year balloon payment.

The treatment and consideration to be received by the holder of a Class 13A Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 13A Secured Claim, all liens and security interests of Class 13A shall be released.

The Class 13B Allowed Claim shall be treated as follows: The Court shall value all of the Class 13B collateral and that value shall be the Class 13B Secured Claim. If the value of the collateral does not exceed the Class 13B Allowed Claim, the Class 13B Secured Claim shall be treated under this Class 13B and the deficiency claim shall be a Class 15 claim. In valuing the claim, the claim shall be divided into sub-notes which are tied to individual properties or collateral. The Class 13B Secured Claim shall be reduced by the full amount of all adequate protection payments, principal payments and payoffs made to the lender as well as all tax payments made by the Debtors to maintain the subject Collateral from the Petition Date to the Effective Date. The remaining Class 13B Secured Claim shall be paid in full within sixty (60) months of the Effective Date (the "Maturity Date"). The Class 13B Secured Claim shall be reset on the Effective Date and accrue interest at the rate of 3.5% for the first twenty-four (24) months after the Confirmation Date and at the rate of 4.5% for the following thirty-six (36) months. The Debtors shall make regular monthly payments of interest only on the Class 13B Secured Claim. The Debtors may, as funds are collected by the Debtors, pay additional sums to the Class 13B Secured Claim for application to principal. No legal fees or costs or appraisal fees or costs shall accrue with respect to the Class 13B Allowed Claim during the Bankruptcy Case. In the event of a default, VIST Bank shall first seek and obtain relief from the automatic stay to reach collateral securing Debtors' obligation to VIST Bank and exhaust all collection efforts with respect to the

collateral securing Debtors' obligation to VIST Bank before taking any action against the guarantors of the Debtors' obligation to VIST Bank. Any and all cross-default and confession of judgment provisions in the VIST Bank Loan Documents shall be considered null and void as of the Confirmation Date. There shall be no further financial, loan to value or other covenants existing as of the Confirmation Date. Specifically, the only covenants existing as of the Confirmation Date address the Debtors' continuing obligation to maintain insurance, refrain from waste, provide unaudited financial statements to each lender and make the periodic payments in accordance with the Plan. The Class 13B Claim may be repaid at any time prior to the Maturity Date without penalty. Class 13B shall retain all lien and security interests in the unpaid sub-notes until paid.

The treatment and consideration to be received by the holder of a Class 13 Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim and Lien(s). Upon satisfaction of the Class 13B Secured Claim, all liens and security interests of Class 13B shall be released.

Class 13A and 13B shall have the right to elect treatment under Section 1111(b). Such election shall be made at the conclusion of the hearing on the Disclosure Statement and the treatment so elected shall be as set forth in Section 5.10. Finally, the holders of Class 13A and 13B claims have not agreed to their proposed treatment under the Plan.

Class 14. Priority and Administrative Non-Tax Claims. The Debtors may, in their discretion, investigate and challenge any and all purported Priority and Administrative Non-Tax Claims. The treatment and consideration to be received by the holder of a Class 14 Allowed Claim shall be payment in full in an amount equal to its Allowed Priority or Administrative Non-Tax Claim. The treatment and consideration to be received by the holder of a Class 14 Allowed Claim shall be payment in full in an amount equal to its Allowed Priority or Administrative Non-

Tax Claim, if any, after payment in full of those Claims having priority over Class 14 Allowed Claims. If the Debtors' challenge of a purported Priority or Administrative Non-Tax Claim is successful, in whole or in part, any unsecured portion of the respective Claim shall be subordinated, in whole or in part, to the Claims in Class 15 or may be disallowed, in whole or in part. The treatment and consideration to be received by the holder of a Class 14 Allowed Claim shall be deemed to be in full settlement, satisfaction, release and discharge of its respective Claim(s). The Debtor estimates approximately $300,000 in administrative claims of professoinals and approximately $0.00 in priority non-tax claims attributable to Class 14.

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Class 15. General Unsecured Claims. The Debtors may, in their discretion, investigate and challenge any and all purported general unsecured claims. The treatment and consideration to be received by holders of Class 15 Allowed Claims shall be one or more Distributions of their respective Pro Rata share of the Debtors' Assets after payment of those claims having priority over Class 15 Allowed Claims. Distributions to holders of Class 15 Allowed Claims shall come from one of the following: (a) cash on hand; or (b) funds received by the Debtors from the Lender Liability Litigation. Class 15 consists of three subclasses. Class 15A consists of all claims of any Investor or Participant in the principal amount of their claim without legal fees or costs. Class 15B is comprised of the unsecured creditors with claims arising from deficiencies resulting from the treatment of Classes 1 through 13. Class 15C consists of those claims arising from the trade and vendor obligations of the Debtor.

Each holder of a Class 15A claim can elect to be a Class 15C claim and receive treatment under that subclass or the following treatment as a Class 15A Claim:

(a) Fifty percent of the amount of cash received on any sale of real estate or loan payoff determined by deducting the carrying cost of the loan plus reasonable legal fees,

costs, insurance and repairs or taxes from the sale or payoff proceeds (the "Distribution Amount").

(b) The Distribution Amount shall be paid pro-rata to all electing 15A creditors until 15A has received full payment of their Allowed Claims.

Each holder of a Class 15B Allowed Claim shall ~~receive a~~receive a 30% distribution paid over two hundred forty months in equal monthly installments. Such election shall be made on the ballot. The failure to elect shall be deemed an election of the five percent option.

Each holder of a Class 15C Allowed Claim shall have the option to receive (a) an immediate and final distribution on or before 180 days following the Effective Date of 10% of its Allowed Claim; or (b) a 30% distribution paid over sixty months in equal monthly installments. Such election shall be made on the ballot. The failure to elect shall be deemed an election of the ten percent option.

The treatment and consideration to be received by holders of Class 15 Allowed Claims shall be deemed to be in full settlement, satisfaction and release and discharge of the respective Claims. Finally, the holder of the Class 15 claim has not agreed to its proposed treatment under the Plan.

Class 16. Real Estate Taxes and Municipal Liens. Section 3.16 and all of its subclasses include real estate taxes or municipal liens on all property owned by the Debtors. Each subclass listed below shall have its own vote in its own subclass. The treatment attributed to each subclass is as follows:

A) All real estate taxes or municipal liens owed or liened on the Debtors real property for tax periods prior to July 1, 2011, shall be paid over twenty four months in

equal monthly installments of principal and interest at 6% commencing thirty days after the Effective Date.

B) All real estate taxes owed or first due after July 1, 2011 which are not contested shall be paid as a cost of administration on or before the expiration of 120 days from the Effective Date.

C) Each municipal lienholder shall be considered its own sub-class.

D) Municipal Liens:

E) Real Estate Taxes:

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Class 17. Equity Interests. All existing equity interests shall be canceled and discharged. New equity interests shall be issued to the new shareholders as set forth in Section 5.9.

D. Estimation of Distribution to Unsecured Creditors

It is estimated that Unsecured Creditors holding Class 15A claims will ~~receive either a) 50% of the Distribution Amount on any sale or loan payoff or b)~~receive a pro rata distribution of 50% of the Distribution Amount until the Allowed Claims are paid in full~~-~~; or may elect to be a Class 15C claim and receive treatment under that subclass. Such election will be made on the Ballot by the Class 15A Claimant. It is further estimated and supported by the Debtor's projections that distributions to Class 15A Claimants will begin in the first quarter following the Effective Date.

It is estimated that Unsecured Creditors holding Class 15B claims will receive either (a) an immediate and final distribution on or before 180 days following the Effective Date of 5% of its Allowed Claim; or (b) a 20% distribution paid over sixty months in equal monthly installments. Such election will be made on the Ballot by the Class 15B Claimant.

It is estimated that Unsecured Creditors holding Class 15C claims will receive either (a) an immediate and final distribution on or before 180 days following the Effective Date of 10% of its Allowed Claim; or (b) a 30% distribution paid over sixty months in equal monthly installments. Such election will be made on the Ballot by the Class 15C Claimant.

E. Implementation of the Plan

1. Possession of Assets. All of the assets of the Debtors shall be sold and liquidated, rented or leased, developed and maintained, in the ordinary course of the ~~Debtor's~~ Debtors' business in accordance with the Plan. The Debtors notes that itsthe proposed Plan of Reorganization envisions the utilization of management talents, commitment and an existing infrastructure to restructure existing debt, liquidate unprofitable properties and meaningfully shift focus to its growing REO Portfolio. Specifically, through itsthe Plan, the Debtors projects they it will increase rental income, decrease carrying costs for unprofitable properties, decrease maintenance costs for unprofitable properties and emerge a leaner, more focused reorganized debtorsed Debtor. Specifically, the Debtors expects fewer foreclosures moving forward and thus a drastically reduced, annual foreclosure costs line item in its projections. For instance, the Debtors expects to foreclose on approximately 6-9 properties in year one and cut that number down to 1/5 in year two. This, the result of the aforementioned portfolio shift.

~~1.~~ By way of background, as the housing market faced rapid decline in 2007, the collective (Gelt Financial and Gelt Properties) Debtor shifted its focus to the only sector of the housing market that still generated consistent revenue: rentals. In 2007, for instance, the Gelt Properties Debtor generated approximately $38,000 in rental income. In 2008, this revenue figure grew to $98,000. In 2009, it more than doubled at $199,000. In 2010, it grew to $288,000 and to $340,000 in 2011. Finally, the Gelt Properties Debtor projects 2012 rental income to be

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approximately $429,000. With regard to concerns expressed by certain of the Debtor's secured creditors related to the Debtor's ability or inability to properly manage its growing real estate portfolio, the Debtor submits that, currently, it has on staff six maintenance employees, one real estate broker and two real estate agents. In addition, the Debtor has a network of contractors who have performed construction and maintenance for it for years and are reputable names in the area. Finally, the Debtor currently performs property management for other entities as well as its own properties and generates approximately $75,000 annually from such employment. Therefore, those concerns about the nature of the Debtor's business, pre and post-confirmation are unfounded and disputed.

V. PROVISIONS GOVERNING DISTRIBUTIONS, DISCHARGE AND GENERAL PROVISIONS

A. Distributions

Jack Miller shall be the disbursing agent ("Disbursing Agent") herein. The Disbursing Agent shall have the sole and exclusive right to make the distributions required by the Plan. The Disbursing Agent may hold or invest the funds in one or more accounts, provided that all investments shall be made in accordance with section 345 of the Bankruptcy Code. The disbursing Agent shall ~~serve without bond~~be bonded and shall receive no compensation for his duties as the Disbursing Agent.

1. Delivery of Distributions

Distributions and deliveries to holders of Allowed Claims will be made at the addresses set forth on the proofs of claim filed by the holders (or at the last known address). If any holder's distribution is returned as undeliverable, no further distributions to the holder will be made unless and until the Reorganized Debtors are notified of the holder's then current address, at which time all missed distribution will be made to the holder without interest. After one year

from the payment date all unclaimed property will become property of the Reorganized Debtors, and the Claim of any holder with respect to such property will be discharged and forever barred.

2. Means of Cash Payment

Cash payments made pursuant to the Plan will be in United States funds, by check drawn on a domestic bank or by wire transfer from a domestic bank. All cash distributions will be made by Debtors.

3. Time Bar to Cash Payments

Checks issued by the Debtor in payment of Allowed Claims will be null and void if not cashed within ninety (90) days of the date of their issuance. Requests for re-issuance of any check shall be made to the Disbursing Agent by the holder of the Allowed Claim to which the check originally was issued. Any Claim relating to a voided check must be made on or before the later of (i) the first anniversary of issuance, or (ii) ninety (90) days after the date the check was voided. After that date, all Claims relating to a voided check will be discharged and forever barred and shall be revested in the Reorganized Debtors.

4. Setoffs

The Debtors may, but will not be required to, set off against any Claim and the payments to be made pursuant to the Plan in respect of the Claim, any Claims of any nature whatsoever the Debtor may have against the Claimant, but neither the failure to do so nor the allowance of any Claim hereunder will constitute a waiver of release by the Debtors of any such claim the Debtors may have against such Claimant.

5. De Minimis Distributions

No cash payment of less than twenty-five dollars ($25.00) will be made by the Disbursing Agent to any creditor unless a request is made in writing to the Reorganized Debtors to make such a payment by the Effective Date of the Plan.

6. Saturday, Sunday or Legal Holiday

If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but will be deemed to have been completed as of the required date.

B. Confirmation/Miscellaneous

1. Except as may be otherwise provided herein, upon the Confirmation Date, all Claims against the Debtors and Debtors-in-Possession shall be satisfied, discharged and released in full; and all holders of Claims and Creditors shall be precluded from asserting against the Debtors, their assets, properties or interest held by it, any other future Claim based upon any transaction or occurrence of any nature that occurred prior to the Confirmation Date.

2. Upon confirmation, title to all assets and properties whatsoever of the Debtors and the Debtors-in-Possession shall be retained by and revested in the Reorganized Debtors free and clear of Claims, Liens, encumbrances, security and equitable interests, except as may be otherwise provided by this Plan. The order confirming the Plan shall be a judicial determination of the discharge of the liabilities of a Claim against the Debtors and Debtors-in-Possession, except only as may be otherwise provided for this Plan. Confirmation of the Plan shall satisfy all Claims arising out of any Claim settled and satisfied under the terms of the Plan.

3. After the Effective Date, the Reorganized Debtors shall be entitled to operate their business without any restrictions of the Bankruptcy Code and without any supervision of the Bankruptcy Court.

4. Any check, including interest earned, that is unclaimed for ninety (90) days after distribution will be deemed null and void. Requests for re-issuance of any check shall be made to the Disbursing Agent by the holder of the Allowed Claim to which the check originally was issued. Any Claim relating to a voided check must be made on or before the later of (i) the first anniversary of the Effective Date, or (ii) ninety (90) days after the date the check was voided. After the date, all Claims relating to a voided check will be discharged and forever barred and shall be revested in the Reorganized Debtors.

5. No default shall be declared under this Plan unless any payment due under this Plan shall not have been made within thirty (30) days after written notice to the Debtors and counsel for the Debtors of failure to make payments when due under the Plan.

6. 11 U.S.C. § 1146(a) and the transfer of the Real Estate. The transfer of all real estate under the Plan shall not be taxed under any law imposing a stamp tax or similar tax.

VI. EFFECTS OF CONFIRMATION

A. Discharge of Claims; Injunction

Except as otherwise expressly provided in the Plan, the entry of the Confirmation order shall act to, among other things, permanently enjoin all Persons who have held, hold or may hold Claims of or Interests in the Debtors as of the Confirmation Date (a) from commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or Interest against the Debtors, (b) from the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree, or order against the Debtors or the Property of the Debtors with respect to any such Claim or Interest, (c) from creating,

perfecting or enforcing any encumbrance of any kind against the Debtors thereof, or against the property of the Debtors with respect to any such Claim or Interest, (d) from creating, perfecting or enforcing any encumbrance of any kind against the Debtors thereof, or against the property of the Debtors with respect to any such Claim or Interest, and (e) from asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due from the Debtors thereof, or against the property of the Debtors, with respect to any such Claim or Interest. To the extent, however, that the Debtors default under the terms of the Plan and such default is not cured within ten (10) days after the Debtors and its counsel receive notice of the default as provided under Section 8.3 of the Plan, the injunction shall be void.

B. Term of Injunctions or Stays

Unless otherwise provided, all injunctions or stays provided for in Chapter 11 cases pursuant to section 362(a) of the Bankruptcy Code or otherwise, shall remain in full force and effect until the Effective Date at which time the injunction under section VIII a shall be in force.

C. Injunction Against Interference With Plan

No entity may commence or continue any action or proceeding, or perform any act to interfere with the implementation and consummation of the Plan and the payments to be made hereunder.

VII. CRAMDOWN PROVISIONS AND CONFIRMATION REQUEST

In the event that sufficient votes to confirm said Plan are not received, the Debtors request confirmation of the Plan pursuant to the provisions to the provisions of section 1129(b) of the Bankruptcy Code.

VIII. MODIFICATION OF THE PLAN

A. Pre-Confirmation Modification

At any time before the Confirmation Date, the Plan may be modified by the Debtors provided that the Plan, as modified, does not fail to meet the requirements of sections 1122 and 1123 of the Bankruptcy Code. In the event that there is a modification of the Plan, then the Plan as modified shall become the Plan.

B. Pre-consummation Modification

At any time after the Confirmation Date of the Plan, but before substantial consummation of the Plan, the Plan may be modified by the Debtors, provided that the Plan, as modified, does not fail to meet the requirements of sections 1122 and 1123 of the Bankruptcy Code. The Plan, as modified under this section, becomes a Plan only if the Court, after notice and hearing, confirms such Plan, as modified, under section 1129 of the Bankruptcy Code.

C. Non-Material Modifications

At any time, the Debtor may, without the approval of the Court, so long as it does not materially or adversely effect the interest of Creditors, remedy any defect or omission, or reconcile any such inconsistencies in the Plan or in the Confirmation Order, as such matters may be necessary to carry out the purposes, intent and effect of this Plan.

IX. RETENTION OF JURISDICTION

The Court shall retain jurisdiction of the case after the Confirmation Date for the following purposes:

(a) to determine any and all objections in the allowance of claims and amendments to schedules;

(b) to classify the Claim of any Creditor and to re-examine Claims which have been allowed for purposes of voting, to determine such objections as may be filed to Claims;

(c) to determine any and all disputes arising under or in connection with the Plan, the sale of any of the Debtors' assets, collection or recovery of any assets;

(d) to determine any and all applications for allowance of compensation and reimbursement of expenses herein;

(e) to determine any and all pending applications for rejections of executory contracts and unexpired leases and the allowance of any claims resulting from the rejection thereof or from the rejection of executor contracts or unexpired leases pursuant to the Plan;

(f) to determine any and all applications, adversary proceedings and contested and litigated matters pending in the case as of , or after, the Confirmation Date;

(g) to determine any and all proceedings for recovery of payments pursuant to any Cause of Action;

(h) to modify any provision of the Plan to the full extent permitted by the Bankruptcy Code;

(i) to correct any defect, cure any omission or reconcile any inconsistency in the Plan or the Confirmation Order as may be necessary to carry out the purposes intent and effect of the Plan;

(j) to determine such other matters which may be provided for in the Confirmation Order as may be authorized under the provisions of the Bankruptcy Code;

(k) to enforce all provisions under the Plan; and

(l) to enter any order, including injunctions, necessary to enforce the terms of the Plan, the powers of the Debtors under the Bankruptcy Code, this Plan and as the Court may deem necessary.

X. CAUSES OF ACTION

A. Suits, Etc.

The Debtors reserve the right to initiate or continue any litigation or adversary proceeding permitted under the Bankruptcy Code and applicable Federal Rules of Bankruptcy Procedure with respect to any Cause of Action, except if provided to the contrary herein.

1. **Litigation**. Except as otherwise provided in section 13.2 of the Plan, the Debtors reserve the right to initiate or continue any litigation or adversary proceeding permitted under the Bankruptcy Code and applicable Federal Rules of Bankruptcy Procedure with respect to any Cause of Action.

AB. **Powers**

The Debtors shall have the right to settle, compromise, sell, assign, terminate, release, discontinue or abandon any cause of action from time to time in its discretion.

XI. OBJECTIONS TO CLAIMS

A. Objection to Claims

Notwithstanding the occurrence of the Confirmation Date or the Effective Date, the Debtors may object to the allowance of any claim not previously allowed by final order whether or not a Proof of Claim has been filed and whether or not the Claim has been filed and whether or not the Claim has been scheduled as non-disputed, non-contingent and liquidated. Attached hereto as Exhibit "D" is a list of all the proof of claims to which the Debtors intend to object.12 All such objections shall be filed within sixty (60) days of the Effective Date. The Debtors reserve the right to amend this list prior to confirmation of the Plan.

B. Contested Claims

Notwithstanding any other provision of this Plan, a Contested Claim will be paid only after allowance by the Court or upon stipulation of the Debtors and the Claimant involved, as

12 Exhibit D will be provided prior to the hearing on the Adequacy of the Debtors' Disclosure Statement.

approved by the Court. If allowed, the Contested Claim will become an Allowed Claim and shall be paid on the same terms as if there had been no dispute. The need for resolution of Contested Claims will not delay other payments under the Plan. No distribution shall be made to a Contested Claim until it is Allowed.

XII. CHOICE OF LAW

Except to the extent superseded by the Bankruptcy Code or other federal law, the rights, duties and obligations arising under the Plan shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the choice of law rules thereof.

XIII. EXCULPATION

Following the Effective Date, neither the Debtors nor any of their officers, directors, members, employees or agents, nor any professional persons employed by any of the foregoing parties, shall have or incur any liability or obligation to any entity for any action taken at any time or omitted to be taken at any time in connection with or related to the formation, preparation, dissemination, implementation, confirmation or consummation of the Plan, the Disclosure Statement or any agreement or document created or entered into, or any action taken or omitted to be taken in connection with the Plan or this Chapter 11 case; provided, however, that the provisions of this article shall have no effect on the liability of any entity that would otherwise result from action or omission to the extent that such action or omission is determined in a Final Order to have constituted gross negligence or willful misconduct.

XIV. MISCELLANEOUS

A. Payment of Statutory Fees

All fees payable pursuant to section 1930 of Title 28 of the United States Code, as determined by the Court at the hearing pursuant to section 1128 of the Bankruptcy Code, will

be paid on or before the Effective Date. Moreover, all post-confirmation quarterly fees shall be paid by the Reorganized Debtor as and when they become due until the Bankruptcy Case is closed.

B. Discharge of Debtors

The rights afforded in the Plan and the treatment of all Claims and Equity Interests in the Plan shall be in exchange for and in complete satisfaction, discharge, and release of Claims and Equity Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors, any of their assets or properties and the Debtors' Estate. Except as otherwise provided in this Plan (i) on the Effective Date, all Claims against and Interests in the Debtors will be satisfied, discharged and released in full and (ii) all Persons shall be precluded from asserting against Debtors, their successors, or their assets or properties any other or further Claims or Interests based upon any act or omission, transaction, or other activity of any kind or nature that occurred before the Confirmation Date.

Notwithstanding the foregoing, the discharge granted by 11 U.S.C. §1141(d) is and modified as to the secured or priority tax debt provided for in this Plan, and the discharge of any secured or priority tax debt under this Plan shall not be effective until all secured or priority taxes provided for in the Plan have been paid in full.

C. Discharge of Claims

Except as otherwise provided in this Plan or in the Confirmation Order, the rights afforded in this Plan and the payments and distributions to be made under the Plan shall be in complete exchange for, and in full satisfaction, discharge and release of, all existing debts and Claims of any kind, nature or description whatsoever against the Debtors, the Estate or any of their assets or properties; and upon the Effective Date, all existing Claims against the Debtors, the Estate and all of their assets and properties will be, and be deemed to be, exchanged,

satisfied, discharged and released in full; and all holders of Claims will be precluded from asserting against Reorganized Debtors, their successors or Assets or properties any other or further Claim based upon any act or omission, transaction or other activity of any kind or nature that occurred before the Confirmation Date, whether or not the holder filed a proof of claim.

D. Effect of Confirmation Order

Except as provided for in this Plan, the Confirmation Order will be a judicial determination of discharge of the Debtors from all debts that arose before the Confirmation Order and any liability on a Claim that is determined under section 502 of the Bankruptcy Code as if such Claim had arisen before the Confirmation Date, whether or not a proof of claim based on any such date or liability is filed under section 501 of the Bankruptcy Code and whether or not a Claim based on such debt or liability is allowed under section 502 of the Bankruptcy Code.

E. Severability

Should any provision in this Plan be determined to be unenforceable, that determination will in no way limit or affect the enforceability and operative effect of any provision of the Plan.

F. Successors and Assigns

The rights and obligations of any person named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of that Person.

G. Binding Effect

The Plan will be binding upon and inure to the benefit of the Debtors, their Creditors, the holders of Equity Interests, and their respective successors and assigns.

H. Governing Provisions

Where a provision of this Plan contains a summary or description of one or more provision of any of the documents attached to the Plan as an Exhibit that conflicts or appears to conflict with any such provision of an Exhibit, the provision of the Exhibit will govern.

I. Filing of Additional Documents

On or before substantial consummation of this Plan, the Debtors will file with the Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

J. Withholding and Reporting Requirements

In connection with the Plan and all instruments issued and distributions made pursuant to the Plan, the Debtors will comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority and all distributions made pursuant to the Plan will be subject to any such withholding and reporting requirements.

Dated: ~~January 25, 2012~~

Respectfully submitted,

GELT PROPERTIES, LLC

By: */s/ Uri Shoham*

GELT FINANCIAL CORPORATION

By: */s/ Uri Shoham*

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