

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF CONNECTICUT**

IN RE:	:	CHAPTER 11
	:	
THE GREATER EVANGEL	:	CASE NO. 16-31239 (AMN)
TEMPLE CHURCH OF	:	
GOD IN CHRIST, INC.	:	
	:	
Debtor	:	
<hr/>		MAY 30, 2017

**DISCLOSURE STATEMENT IN SUPPORT OF
PLAN OF REORGANIZATION OF
THE GREATER EVANGEL TEMPLE CHURCH OF GOD IN CHRIST, INC.**

RESPECTFULLY SUBMITTED,
THE DEBTOR:
The Greater Evangel Temple Church of
God in Christ, Inc.

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INTRODUCTION AND DISCLAIMER

The Greater Evangel Temple Church of God in Christ, Inc., debtor and debtor-in-possession (the “Church” or the “Debtor”), submits this Disclosure Statement (the “Disclosure Statement”) pursuant to section 1125 of the Bankruptcy Code, for use in the solicitation of votes on the Chapter 11 Plan for the Debtor (the “Plan”), proposed by the Debtor and filed with the Bankruptcy Court contemporaneously with the filing of this Disclosure Statement. A copy of the Plan is annexed hereto as an exhibit. This Disclosure Statement also describes terms and provisions of the Plan, including certain alternatives to the Plan, certain effects of Confirmation, and the manner in which distributions will be made under the Plan. In addition, this Disclosure Statement discusses the confirmation process and the voting procedures that holders of Claims against and Interests in the Debtor must follow for their votes, if any, to be counted. All capitalized terms not defined in this Disclosure Statement shall have the meanings ascribed to such terms in the Plan.

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN STATUTORY PROVISIONS, AND CERTAIN FINANCIAL INFORMATION. ALTHOUGH THE DEBTOR BELIEVES THAT THE PLAN AND RELATED DOCUMENT SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTOR’S MANAGEMENT, EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF THE DEBTOR’S PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY MAKE ANY REPRESENTATIONS, OTHER THAN THE REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN. ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETIES BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE OF THIS DISCLOSURE STATEMENT AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER SUCH DATE.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, RETAINED ACTIONS, AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE

STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NONBANKRUPTCY PROCEEDING, NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTOR.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND BECOMES EFFECTIVE, ALL HOLDERS OF CLAIMS AND INTERESTS (INCLUDING THOSE WHO REJECTED OR WHO ARE DEEMED TO HAVE REJECTED THE PLAN AND THOSE WHO DID NOT SUBMIT BALLOTS TO ACCEPT THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN.

THE PLAN PROVIDES A DISTRIBUTION TO CREDITORS WHEN THERE WOULD NOT BE ONE IN A CHAPTER 7 LIQUIDATION OF THE DEBTOR.

I. GENERAL INFORMATION

A. Definitions and Clarifications.

Unless stated otherwise, terms which are defined in Article I of the Plan and are not otherwise defined in this Disclosure Statement shall have the meanings ascribed to them in Article I of the Plan.

B. Purpose.

The information contained in this Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan. No person is authorized to provide any information or make any representations, other than the information and representations contained in this Disclosure Statement, regarding the Plan or the solicitation of acceptances of the Plan.

C. Notice to Holders of Claims and Interests.

This Disclosure Statement is being transmitted to holders of Claims against, and Interests in, the Debtor for the purpose of soliciting votes on the Plan and to other parties-in-interest for informational purposes. The purpose of this Disclosure Statement is to provide adequate information to enable the holder of a Claim against or an Interest in the Debtor to make a reasonably informed decision with respect to the Plan prior to voting to accept or reject the Plan.

PLEASE MAKE NOTE OF AND ATTEND TO THE FOLLOWING:

- By order entered _____, the Bankruptcy Court approved this Disclosure Statement as containing information of a kind and in sufficient and adequate detail to enable such holders of Claims and Interests to make an informed judgment with respect to acceptance or rejection of the Plan.
- The Bankruptcy Court's approval of this Disclosure Statement does not constitute either a guaranty of the accuracy or completeness of the information contained herein or an endorsement of the Plan by the Bankruptcy Court.
- No representations concerning the Debtor or the value of its assets have been authorized by the Bankruptcy Court other than as set forth in this Disclosure Statement.
- The financial information contained in this Disclosure Statement has not been audited by a certified public accounting firm and has not necessarily been prepared in accordance with generally accepted accounting principles.

II. DESCRIPTION OF THE DEBTOR AND THE CHAPTER 11 CASE

A. Background of the Debtor.

The Debtor is a historically African American church located in Ansonia, Connecticut. The Debtor has been in existence for more than 23 years and is an important local religious institution, providing a house of worship to over 200 members. The Church is a member of Church of God in Christ, a Pentecostal Christian denomination with more than six million members. The principal pastor at the church is Pastor Edward Barnes.

B. Events and Circumstances Leading to Commencement of Chapter 11 Case.

In June of 2003, Edward Barnes was installed as pastor of the Church. Upon arriving, Pastor Barnes organized auxiliaries and clubs to support the Church's financial obligations. As a result, the Church had sufficient funds to meet all of its obligations and even establish a reserve. In 2009, the Church sought a loan from Naugatuck Savings Bank in order to renovate its existing location at 38 Jackson Street, Ansonia, Connecticut (the "Church Property"). The Debtor executed a note dated June 11, 2009 in the principal sum of \$65,000.00 payable with interest thereon (the "Note"). The note is secured by a mortgage on the Church Property (the "Mortgage").

In 2013, Pastor Barnes took a leave of absence to enable him to care for his father who was diagnosed with prostate cancer and dementia. Pastor Barnes' father was placed in Pastor Barnes' home for hospice treatment and support until he passed away in September of 2013. Soon after, Pastor Barnes' mother developed leukemia and required treatment and support from 2014 through July of 2016. With Pastor Barnes' absence from the Church, the congregation's activities decreased, and many of the planned events did not take place. This result led to a significant decline in the Church's income.

In February 2014, Nutmeg Financial Holdings, LLC ("Nutmeg"), the current holder of the Note and Mortgage, commenced a foreclosure action concerning the Mortgage in the case styled *Nutmeg Financial Holdings, LLC v. The Greater Evangel Temple Church of God in Christ, Inc. et al*, Case No. AAN-CV14-6015618-S (the "Foreclosure Case"). A sale of the Church Property was scheduled for August 6, 2016.

Pastor Barnes returned full time to the church in the summer of 2016 and began to rebuild the congregation and its finances. After Pastor Barnes' return, the Church raised sufficient funds to be able to offer to pay the arrears in full and reinstate the Mortgage. Nutmeg refused said entreaties, necessitating this instant bankruptcy filing to save the church for its members. The bankruptcy was filed on August 5, 2016 (the "Petition Date").

C. The Debtor's Assets and Liabilities

1. Primary Assets and Income Sources

The Debtor's material assets are the Church Property and certain personal property located at the Church Property. An appraisal of the Church Property in the Foreclosure Action

valued the Church Property at \$160,000.

The Debtor also owns miscellaneous personal property consisting primarily of large organs, church pews, office and church furniture, miscellaneous religious articles, sound and audio equipment, and food service equipment and sundries. A current balance sheet is attached hereto as Exhibit A.

As a charitable religious institution, the Debtor is reliant on donations from its members and fundraising activities to fund operations. Consistent with the traditions and teachings of the Church of God in Christ and other Christian denominations, the Debtor receives weekly collections from members who attend services, as well as donations.

Since September 2016, the Debtor has reestablished its auxiliaries, which have become more active in fundraising. Numerous fundraising activities and events have been scheduled. The Church, as it did in the past, expects these activities to result in substantial income for the Church.

2. Primary Liabilities

As of the Petition Date, Nutmeg was owed \$74,292.59. As of the Petition Date, other secured debts include a debt owed to the Ansonia Water Pollution Control Authority in the amount of \$1,506.10 and a mechanics' lien of \$2,771.79 due to Richard Vojtek. The claim of Richard Vojtek is disputed and the Debtor believes the claim and lien are invalid.

The Church also owes deferred salary of \$55,000 to Pastor Barnes, who has agreed to waive payment. The Debtor also has approximately \$12,000 of uncontested unsecured debts.

D. Material Events Occurring in the Chapter 11 Case

During the Chapter 11 case, significant time was spent establishing better institutional financial controls and operating procedures for the Church. In January of 2017, Pastor Barnes slipped and fell during a snow storm and broke a number of ribs, causing him to undergo a significant recovery process until April of 2017. Since then, the congregation has begun to build participation of the auxiliaries, along with recruiting members who had not previously been in attendance. The Church's faith in the minister is strong and history demonstrates that it will return to its financial strength with the help of the members.

The Debtor retained Green & Sklarz LLC as its bankruptcy counsel. Green & Sklarz LLC has agreed to discount its fees by 25%.

E. Summary of the Debtor's Plan of Reorganization

Since the Petition Date, Pastor Barnes has succeeded in increasing donations to the Debtor. At this time, the Church is in the process of seeking to refinance Nutmeg's loan. It is expected that a commitment letter will be received in the next thirty (30) days. If no refinance can be achieved prior to the Effective Date, the Debtor will pay Nutmeg over a five (5) year

term.

The Claim of the Ansonia Water Pollution Control Authority will be paid over twelve (12) months following the Effective Date, plus interest at the statutory rate.

Allowed Unsecured Claims will be paid over five (5) years. Unsecured claims will be paid in full, plus interest.

1. Confirmation Refinance Alternative with Respect to Church Property

At the present time, the Debtor is attempting to fully refinance its secured debt on the Church Property. The Debtor has received positive feedback concerning refinancing. If the Debtor is able to conclude an acceptable refinance closing prior to the Effective Date, the Debtor reserves the right to payoff Allowed Secured Claims by making an election to do so no later than seven (7) days prior to the Confirmation Hearing (the “Confirmation Refinance Alternative”).

If the Confirmation Refinance Alternative is elected, the Debtor will file with the Court such pleadings and other documents as are necessary to seek Court approval to undertake a refinance of the Church Property. The Debtor will request that the Court schedule a hearing to approve the Confirmation Refinance Alternative contemporaneously with the Confirmation Hearing.

If the Debtor elects the Confirmation Refinance Alternative, Nutmeg and Ansonia Water Pollution Control Authority will be treated as unimpaired creditors and not entitled to vote on the Plan.

III. PLAN VOTING INSTRUCTIONS AND PROCEDURES

A. Summary of the Plan

Following is a summary of the manner in which the Claims and Interests will be classified and treated:

Class	Eligible to Vote	Treatment
Administrative Claims	No	Payment in full on Effective Date; or pursuant to agreed upon treatment.
Priority Claims	No	Payment in full on Effective Date.
Priority Wage Claim of Pastor Barnes	No	Pastor Barnes has waived his Priority Wage Claim.
Class 1: Allowed Secured Claim of Nutmeg Financial Holdings, LLC	Yes	At the Debtor’s election the Debtor may: (a) pay the Allowed Secured Claim of Nutmeg over 60 months from the Effective Date, with interest; or (b) payoff Nutmeg’s Allowed Secured Claim on the Effective Date in accordance with the Confirmation Refinance Alternative (in which case Class 1 is not entitled to vote)
Class 2: Allowed Secured Claims of Ansonia Water Pollution Control Authority	Yes	At the Debtor’s election the Debtor may: (a) pay the Allowed Secured Claim of Ansonia Water Pollution Control Authority over 12 months from the Effective Date, with interest; or (b) payoff Ansonia Water Pollution Control Authority’s Allowed Secured Claim on the Effective Date in accordance with the Confirmation Refinance Alternative (in which case Class 2 is not entitled to vote)
Class 3: Disputed Secured Claims of Richard Vojtek	No	Richard Vojtek did not file a proof of claim in this case, thus the Class 3 claim has been disallowed. Further, according to the Debtor’s records, Richard Vojtek’s claim was paid off. Finally, since Richard Vojtek did not file a timely foreclosure action with respect to his mechanics’ lien, said lien is invalid by operation of Connecticut law.
Class 4: General Unsecured Creditors	Yes	Allowed General Unsecured Claims will be paid 100% of their Allowed Claims, in equal monthly installments over 60 months from the Effective Date, with interest at the Prime Rate as of the Confirmation Date, plus 2%. The amount distributed to General Unsecured Claims depends on whether certain Disputed Claims are Allowed.
Class 15: Interests	No – deemed to accept	The Church is a Connecticut non-stock corporation. The Interests will remain unimpaired.

B. Unclassified Claims

Administrative Claims. Except as otherwise set forth in this Plan, each holder of an Allowed Administrative Claim shall be paid in Available Cash in full with interest at the Applicable Rate on the Distribute Date. The aggregate amount of any Contested Administrative Claims as of the Distribution Date shall be set aside by the Debtor in the Contested Administrative Claim Reserve, subject to estimation by the Debtor. Contested Administrative Claims that are thereafter Allowed shall be paid from the Contested Administrative Claim Reserve. *The Debtor does not believe there are any Section 503(b)(9)-type claims.*

Priority Claims. Except as otherwise set forth in this Plan, each holder of an Allowed Priority Claim shall be paid in Available Cash in full with interest at the Applicable Rate on the Effective Date. Priority Tax Claims, if not paid on Effective Date of the Plan, will be paid in full within 5 years of the Petition Date with interest at the relevant statutory rate in effect on the Effective Date of the Plan.

C. Classification of Claims

All Claims against and Interests in the Debtor of whatever nature, whether or not Scheduled, liquidated or unliquidated, absolute or contingent, disputed or undisputed, including all Claims arising from the rejection of executory contracts, shall be subject to the provisions of this Plan. Pursuant to section 1123(a)(1) of the Bankruptcy Code, Administrative Claims are treated in Article II of the Plan. This case was not commenced upon the filing of an involuntary petition and therefore there are no Claims of the type provided for in section 502(f) of the Bankruptcy Code. All Claims other than Administrative Claims and Priority Tax Claims are classified below.

The following represents the amount of each Claim based on the Debtor's books and records as of the Petition Date or a Proof of Claim filed by the Creditor or Interest Holder:

- 3.1. Class 1: Allowed Secured Claim of Nutmeg Financial Holdings, LLC
 - 3.1.1. Amount of Claim: \$71,742.56
 - 3.1.2. Impairment and Voting: Impaired and entitled to vote; *provided however*, if the Debtor elects the Confirmation Refinance Alternative, this class is unimpaired, not entitled to vote and deemed to accept the Plan.
- 3.2. Class 2: Allowed Secured Claim of Ansonia Water Pollution Control Authority
 - 3.2.1. Amount of Claim: \$1,506.10
 - 3.2.2. Impairment and Voting: Impaired and entitled to vote; *provided however*, if the Debtor elects the Confirmation Refinance Alternative, this class is unimpaired, not entitled to vote and deemed to accept the Plan.
- 3.3. Class 3: Disputed Secured Claim of Richard Vojtek
 - 3.3.1. Amount of Claim: \$2,771.79.
 - 3.3.2. Impairment and Voting: Impaired and not entitled to vote. The Claims of this class are disputed and the Debtor believes the liens should have been released and the claim should be valued at \$0.00. Therefore, this class is not entitled to vote. Pursuant to Fed. R. Bankr. P. 3018(a), the Holder may seek estimation of the claim for voting purposes.
- 3.4. Class 4: General Unsecured Creditors

3.4.1. Amount of Claim: \$12,299.78

3.4.2. Impairment and Voting: Impaired and entitled to vote.

3.5. Class 15: Interests

3.5.1. Amount of Claim: N/A

3.5.2. Impairment and Voting: Unimpaired and deemed to accept.

IV. VOTING AND PROCEDURE

A. Voting and Acceptance of the Plan.

The Bankruptcy Court has scheduled a hearing to be held on _____ to consider confirmation of the Plan.

B. Confirmation of the Plan.

In order to confirm the Plan, the Bankruptcy Code requires that the Bankruptcy Court make a series of determinations concerning the Plan, including that (a) the Plan has classified Claims and Interests in a permissible manner; (b) the Plan complies with the technical requirements of Chapter 11 of the Bankruptcy Code; (c) the Debtor proposed the Plan in good faith; and (d) the Debtor's disclosures as required by Chapter 11 of the Bankruptcy Code have been adequate and have included information concerning all payments made or promised in connection with the Plan. The Debtor believes that all of these conditions will have been met by the date set for the Confirmation Hearing and will seek rulings from the Bankruptcy Court to such effect at the Confirmation Hearing.

The following summarizes some, but not all, of the pertinent requirements of section 1129 of the Bankruptcy Code:

Classification of Claims and Interests. The Bankruptcy Code requires that a Chapter 11 plan place each creditor's claim and each interest holder's interest in a class with other claims and interests that are "substantially similar."

Acceptance by Impaired Class. Each Class of Allowed Claims and each Class of Interests must either vote to accept the Plan or be deemed to accept the Plan on the Ballot provided. Ballots must be returned by _____ at 5:00 PM (prevailing Eastern Time).

A class of claims has accepted a plan if such plan has been accepted by creditors that hold at least two-thirds (2/3rd) in amount and more than one-half (1/2) in number of the allowed claims of such class held by creditors. A class of interests has accepted the Plan if at least two-thirds (2/3rds) in amount of the allowed interests of such class held by holders of such interests, accepts the Plan.

Feasibility. The Bankruptcy Court is required to find that the Plan is likely to be implemented and that parties required to perform or pay monies under the Plan will be able to do so.

“Best Interest” Test. The Bankruptcy Court must find that the Plan is in the “best interest” of all Creditors. To satisfy this requirement, the Bankruptcy Court must determine that each holder of an Allowed Claim against, or Interest in, the Debtor: (i) has accepted the Plan; or (ii) will receive or retain under the Plan money or other property which, as of the Effective Date, has a value not less than the amount such holder would receive if the Debtor’s property was liquidated under Chapter 7 of the Bankruptcy Code on such date.

Procedure. To confirm the Plan, the Bankruptcy Court must hold a hearing to determine whether the Plan meets the requirements of section 1129 of the Bankruptcy Code (the “Confirmation Hearing”).

Objection to Confirmation. Any party-in-interest may object to the Confirmation of the Plan and appear at the Confirmation Hearing to pursue such objection. The Bankruptcy Court has set _____ (prevailing Eastern Time) as the deadline for filing and serving upon the Debtor and Debtor’s counsel objections to Confirmation of the Plan. Provided however, that should parties wish to file written objections concerning the confirmability of the Plan on account of the Debtor not having received acceptance votes from at least one impaired class of creditors, such objection may be filed on or before _____.

C. Effective Date Payment Option

At the election of the Debtor, the Debtor may elect to pay all Allowed Class 1, 2, 3, and/or 4 Claims in full on the Effective Date by filing a notice that it will make the Confirmation Refinance Alternative. The notice of Confirmation Refinance Alternative shall be made at least seven (7) calendar days prior to the Confirmation Hearing. If the Debtor makes the Confirmation Refinance Alternative election, Holders of Classes that will be paid in full on the Effective Date shall be deemed to accept the Plan.

V. TREATMENT OF CLAIMS AND INTERESTS

All Allowed Claims and Interests shall receive the following treatment under the Plan:

5.1 Administrative Claims: Allowed Administrative Claims shall be paid in full on the Effective Date of the Plan, unless (a) the Claim Holder accepts different treatment, (b) the Bankruptcy Code provides for different treatment, or (c) the Court determines otherwise. To the extent that an objection is raised to an Administrative Claim, the Debtor shall reserve and hold in escrow the full amount of the Administrative Claim until the Court determines the validity, nature and extent of the Allowed portion of any Administrative Claims.

5.1.1 Section 503(b)(9) Claims: None.

5.2 U.S. Trustee Payments: In accordance with § 1129(a)(12) of the Bankruptcy Code

and 28 U.S.C. § 1930, all quarterly fees payable to the United States Trustee shall be paid by the Debtor in full on or before their respective due dates and shall continue to be assessed and paid until such time as a final decree is entered by the Court or the Court enters an order converting or dismissing this case; or as the Court may so determine.

5.3 Priority Claims: Allowed Priority Claims shall be paid in full on the Effective Date of the Plan, unless (a) the Claim Holder accepts different treatment, (b) the Bankruptcy Code provides for different treatment (i.e. priority tax claims, see below Art. 5.3.1), or (c) the Court determines otherwise. To the extent that an objection is raised to a Priority Claim, the Debtor shall reserve and hold in escrow the full amount of the Priority Claim until the Court determines the validity, nature and extent of the Allowed portion of any Priority Claims.

5.3.1 Priority Tax Claims: Priority tax claims, if not paid on Effective Date of the Plan, will be paid in full within 5 years of the Petition Date with interest at the relevant statutory rate in effect on the Effective Date of the Plan. *The Debtor is not aware of any Priority Tax Claims.*

5.3.2 Priority Wage Claim of Pastor Barnes: Pastor Barnes has waived his Priority Wage Claim.

5.4. Class 1: Allowed Secured Claim of Nutmeg Financial Holdings, LLC: Class 1 consists of the Secured Claim of Nutmeg. The Debtor does not contest that as of the Petition Date Nutmeg was entitled to an Allowed Secured Claim of \$71,742.59, plus applicable interest at the contract rate since April 6, 2016 (the date of judgment in the Church Property foreclosure case). Should Nutmeg seek inappropriate post-petition additions to its debt, other than interest at the contract rate, the Debtor intends to object to such charges at the appropriate time.

5.4.1. Treatment of Allowed Portion of Claim: Unless the Debtor makes the Confirmation Refinance Alternative election on or before seven (7) days prior to the Confirmation Hearing, the Debtor shall pay Nutmeg's Allowed Secured Claim over sixty (60) months from the Effective Date, with interest, in equal monthly installments.

5.4.1.1. Projected Monthly Payment: \$1,482.52, assuming a debt of \$76,683.95 (as of May 30, 2017) at a 6.00% interest rate.

5.4.1.2. Retention of Lien Until Payment of Claim: Until the Allowed Class 1 Claim is paid in full, the Claim Holder shall retain its liens.

5.4.1.3. Modification of Terms of Credit Documents; Deceleration: Except as provided in this Plan, the credit documents concerning Nutmeg's Claim shall remain in place, provided, however, that so long as the Debtor maintains its Plan payments, technical default provisions as against the Debtor, or other claims of default as against the Debtor, that occurred prior to the Petition Date shall be decelerated and of no force and/or effect. Within sixty (60) days following the Effective Date, Nutmeg shall

withdraw any pending lawsuits or other claims filed against the Debtor in courts other than the Bankruptcy Court, without prejudice.

5.4.1.4. Payment Date: Payments under the Plan shall be made on or before the 28th day of each month commencing with the first full calendar month following the Effective Date. All payments are subject to any grace periods or other extensions (or limitations) as set forth in the pre-petition credit documents governing the relationship between the parties.

5.4.2. Confirmation Refinance Alternative Election: The Debtor is in the process of attempting to refinance the Church Property, which, if successful will result in the payment of Nutmeg's Allowed Claim on the Effective Date. If on or before seven (7) days prior to the Confirmation Hearing, the Debtor notifies Creditors and Interest Holders by filing on the docket of the Chapter 11 Case a Notice of Election of Confirmation Refinance Alternative, the Debtor shall pay Nutmeg's Allowed Secured Claim in full on the Effective Date. The Confirmation Refinance Alternative shall be subject to the following provisions:

5.4.2.1. Should any portion of Nutmeg's Claim be subject to a dispute, the Debtor shall escrow, with First American Title Insurance Company ("FATIC"), or such other escrow agent as shall be agreed to between the parties, with the cost of such escrow paid by the Debtor, an amount sufficient to pay the contested amount in full upon determination of the amount and validity of the Disputed Claim or portion thereof. The Debtor shall file any proposed escrow agreement with the Court and shall seek Court approval to enter into any escrow agreement.

5.4.2.2. If Debtor makes the Confirmation Refinance Alternative election, Nutmeg shall not be entitled to vote on the Plan and shall be deemed to accept the Plan.

5.4.2.3. Contemporaneous with the filing of a Notice of Election of Confirmation Refinance Alternative, the Debtor shall file such documents and pleadings as are required by Bankruptcy Code § 364 to obtain Court approval of the proposed refinance of the Church Property by the Debtor. Any refinance of the Church Property shall be subject to Court approval at the Confirmation Hearing.

5.4.3. Treatment of Adequate Protection Payments: Adequate Protection Payments made during the pendency of this Chapter 11 Case shall be applied to reduce Nutmeg's Allowed Secured Claim as of the Effective Date, or as otherwise ordered by the Court.

5.5. Class 2: Allowed Secured Claims of Greater Ansonia Water Pollution Control

Authority: Class 2 consists of the Allowed Secured Claims of the Ansonia Water Pollution Control Authority (“AWPCA”) in the amount of \$1,506.10, plus applicable interest.

5.5.1. Treatment of Allowed Portion of Claim: Unless the Debtor makes the Confirmation Refinance Alternative election on or before seven (7) days prior to the Confirmation Hearing, the Debtor shall pay the AWPCA’s Allowed Secured Claim over twelve (12) months from the Effective Date, with interest, in equal monthly installments.

5.5.1.1. Projected Monthly Payment: \$166.61, assuming a debt of \$1,817.31 (as of May 30, 2017) at an 18% interest rate.

5.5.1.2. Retention of Lien Until Payment of Claim: Until the Allowed Class 2 Claim is paid in full, the Claim Holder shall retain its liens.

5.5.1.3. Modification of Terms of Credit Documents; Deceleration: Except as provided in this Plan, the credit documents concerning the AWPCA’s Claim shall remain in place, provided, however, that so long as the Debtor maintains its Plan payments, technical default provisions as against the Debtor, or other claims of default as against the Debtor, that occurred prior to the Petition Date shall be decelerated and of no force and/or effect. Within sixty (60) days following the Effective Date, the AWPCA shall withdraw any pending lawsuits or other claims filed against the Debtor in courts other than the Bankruptcy Court, without prejudice.

5.5.1.4. Payment Date: Payments under the Plan shall be made on or before the 28th day of each month commencing with the first full calendar month following the Effective Date. All payments are subject to any grace periods or other extensions (or limitations) as set forth in the pre-petition credit documents governing the relationship between the parties.

5.5.2. Confirmation Refinance Alternative Election: The Debtor is in the process of attempting to refinance the Church Property, which, if successful will result in the payment of the AWPCA’s Allowed Claim on the Effective Date. If on or before seven (7) days prior to the Confirmation Hearing, the Debtor notifies Creditors and Interest Holder by filing on the docket of the Chapter 11 Case a Notice of Election of Confirmation Refinance Alternative, the Debtor shall pay the AWPCA’s Allowed Secured Claim in full on the Effective Date.

5.5.2.1. If Debtor makes the Confirmation Refinance Alternative election, AWPCA shall not be entitled to vote on the Plan and shall be deemed to accept the Plan.

5.5.2.2. Contemporaneous with the filing of a Notice of Election of Confirmation Refinance Alternative, the Debtor shall file such documents and pleadings as are required by Bankruptcy Code

§ 364 to obtain Court approval of the proposed refinance of the Church Property by the Debtor. Any refinance of the Church Property shall be subject to Court approval at the Confirmation Hearing.

5.6. Class 3: Disputed Secured Claim of Richard Vojtek: Class 3 consists of the Disputed Secured Claim of Richard Vojtek. This Claim was disputed and no proof of claim has been filed. Further, the Debtor paid this claim prior to the Petition Date, but Mr. Vojtek failed to record a release of mechanics' lien. Finally, pursuant to Conn. Gen. Stat. § 49-39 a mechanics' lien must be foreclosed within one (1) year from its recording. As no foreclosure action has been filed, the lien is void as a matter of law. The Debtor will, if necessary, file an action seeking to quiet title. However, the Debtor believes that Mr. Vojtek will voluntarily provide the requisite release of mechanics' lien.

5.6.1. Treatment if Claim 3 Claim is Allowed: If the Class 3 Claim becomes an Allowed Secured Claim, the Debtor shall pay the Class 3 Allowed Secured Claim over twelve (12) months following the Effective Date, plus interest.

5.6.1.1. Retention of Lien Until Payment of Claim: Until the Allowed Class 3 Claim is paid in full, the Claim Holder shall retain its liens.

5.6.1.2. Modification of Terms of Credit Documents; Deceleration: Except as provided in this Plan, the credit documents concerning the Holder's Claim shall remain in place, provided, however, that so long as the Debtor maintains its Plan payments, technical default provisions as against the Debtor, or other claims of default as against the Debtor, that occurred prior to the Petition Date shall be decelerated and of no force and/or effect. Within sixty (60) days following the Determination Date, the Holder shall withdraw any pending lawsuits or other claims filed against the Debtor in courts other than the Bankruptcy Court, without prejudice.

5.6.1.3. Payment Date: Payments under the Plan shall be made on or before the 28th day of each month commencing with the first full calendar month following the Determination Date. All payments are subject to any grace periods or other extensions (or limitations) as set forth in the pre-petition credit documents governing the relationship between the parties.

5.6.2. Adversary Proceeding to Determine Validity and Amount of Claim: If necessary, the Debtor will file an adversary proceeding to seek a determination that the Claims and Liens of Mr. Vojtek are invalid.

5.7. Class 4: General Unsecured Creditors: Allowed Class 4 (General Unsecured Claims) will be paid One Hundred Percent (100%) of the amount of the Claim Holder's

Allowed Unsecured Claim, with interest at the rate of Prime Rate plus two (2.00%) percent, as of the Confirmation Date, simple interest per annum, in equal monthly installments over sixty (60) months following the Effective Date of the Plan, with payments commencing on the 28th day of the first full calendar month following the Effective Date. The Debtor shall retain the right to pay off the amount due to any Class 4 Claim Holder at any time. The monthly payment due under the Plan is \$237.79.

5.8. Class 15: Interests: The Debtor as a Connecticut non-stock corporation shall retain in full all current Interests.

VI. IMPLEMENTATION OF THE PLAN

6.1 Means for Funding the Plan. The Debtor intends to use operating income (donations to the Church, etc.), contributions from Church auxiliaries, grants, and other income to fund the Plan. As set forth above, the Debtor is actively seeking to refinance the Church Property and will use proceeds from a successful refinance to fund the Plan.

6.1.1 Plan Supplements; Documents Concerning Confirmation Refinance Alternative: The Debtor shall file such plan supplements and additional documents to implement the procedures set forth in Article 5 of the Plan not later than seven (7) days prior to the Ballot Deadline, unless specifically otherwise stated (i.e. with respect to the Confirmation Refinance Alternative).

6.1.2 Plan Funding Analysis. Attached hereto as Exhibit B is the Plan Funding Analysis, should the Debtor *not* elect the Confirmation Refinance Alternative.

6.2 Retention of Claims and Causes of Action and Reservation of Right to Object to Claims and Liens. The Debtor shall retain all of its pre-Confirmation Causes of Action against all Entities, including, but not limited to, the Retained Actions. The Debtor also reserves the right to review, and if it deems appropriate, contest, challenge or otherwise object to any Claim and/or Lien at any time including after the Confirmation Date.

6.3 Exclusivity Period. The Debtor will retain exclusive right to amend or modify the Plan in accordance with the terms hereof, and to solicit any amendment to or modification of the Plan, through and until the Effective Date.

6.4 Exemption from Certain Transfer Taxes and Recording Fees. Pursuant to Section 1146(c) of the Bankruptcy Code, any transfers from the Debtor or to any other Person or Entity pursuant to the Plan will not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment, and the Confirmation Order will direct the appropriate state, local, federal, or foreign government officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

6.5 Post-Confirmation Management of the Debtor: The post-confirmation Debtor shall be managed by its Board of Directors and Officers. A list of Debtor's Board of Directors is attached hereto as Exhibit C. The President of the Debtor is Pastor Edward Barnes.

6.6 Preferential and Fraudulent Transfer Analysis: A preference is a transfer made by the Debtor to or for the benefit of a Creditor on behalf of an antecedent debt made within ninety (90) days of the Petition Date or within one (1) year of the Petition Date if such transfer was made to an insider (as defined in section 101(31) of the Bankruptcy Code), made when the Debtor was insolvent and enabling such Creditor to receive more than the Creditor would receive in liquidation. *The Debtor is unaware of any preferential transfers. The Debtor does not believe that it has any claim for fraudulent transfers.*

VII. TREATMENT OF EXECUTORY CONTRACTS

7.1 General Treatment. Except as otherwise expressly provided, all executory contracts shall be assumed upon entry of the Confirmation Order.

7.2 Bar to Rejection Damages. If the rejection of an executory contract by the Debtor results in damages to the other party or parties to such contract, a Claim for such damages, if not previously evidenced by a filed proof of Claim or barred by a Final Order, shall be forever barred and shall not be enforceable against the Debtor, or Property of the Estate or its agents, successors, or assigns, unless a proof of Claim relating thereto is filed with the Bankruptcy Court within thirty (30) days after the later of (i) the entry of a Final Order authorizing such rejection or (ii) the Confirmation Date, or within such shorter period as may be ordered by the Bankruptcy Court or as set forth herein.

VIII. PROVISIONS GOVERNING DISTRIBUTIONS

8.1 Payments. Except as otherwise provided in this Plan or ordered by the Bankruptcy Court, all payments and distributions required under the Plan to Creditors and Entities holding Interests in all Classes will be made on the Distribution Date in accordance with the terms of the Plan.

8.2 Unclaimed Distributions.

8.2.1 Monies sent by checks issued by or on behalf of the Debtor and sent to holders of Allowed Claims or other parties in interest pursuant to this Plan which are not honored or negotiated within thirty (30) days after issuance by the Debtor, shall be deemed unclaimed and any such funds shall be redistributed Pro-rata. Upon the expiration of such thirty day period, the Debtor's obligation and liability to any holder of an Allowed Claim or other party in interest whose check from the Debtor is not negotiated during such period or returned as undeliverable, shall be deemed satisfied in full and the Debtor and its attorneys, financial advisors, investment bankers, agents, employees, members, directors, officers and Affiliates shall be forever released and discharged from any and all liability or obligation whatsoever to that Creditor or party in interest. For purposes of this section, a check shall be conclusively deemed appropriately delivered to a Creditor or party in interest if it is sent by first Class, postage prepaid, mail or by

Federal Express overnight delivery to the address of that Creditor or party in interest as set forth on the Schedules, the Proof of Claim register in the Chapter 11 Case, or the Debtor's books and records.

8.2.2 After Distributions Become Undeliverable. Undeliverable Cash shall not be entitled to any interest, dividends or other accruals of any kind. In such cases, any Property held for distribution on account of such Claims shall be redistributed by the Debtor as Additional Recoveries per Article 9.3 of the Plan. The Debtor shall not be required to attempt to locate any holder of an Allowed Claim.

8.3 Disbursing Agent. The Debtor shall disburse and make all distributions under the Plan from the Distribution Account.

8.4 Liquidation Analysis. See attached Exhibit D.

8.5 Financial Statements. A copy of the Debtor's most recent balance sheet is attached hereto as Exhibit A. A copy of the Debtor's most recent income statement is attached hereto as Exhibit E.

IX. GENERAL PROVISIONS

9.1 Post-Confirmation Professional Fees. Professional fees and expenses incurred on or after the Confirmation Date shall not be subject to Bankruptcy Court approval and shall be paid by the Debtor in the ordinary course of business.

9.2 Additional Recoveries. If the Debtor obtains any additional recoveries as a result of any settlement or judgment of contingent litigation, or from any other source, then the proceeds of any recoveries shall be distributed in accordance with the terms of this Plan.

9.3 Post-Confirmation Actions. Nothing herein contained shall prevent the Debtor from taking such action as may be necessary to enforce any rights or prosecute any Cause of Action existing on its behalf, which may not have been heretofore enforced or prosecuted.

9.4 Governing Law. Unless an applicable rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules) or Connecticut General Statutes, the internal laws of the State of Connecticut shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, as well as any Causes of Action pending or to be brought in which the Debtor is a party.

9.5 Filing of Additional Documents. On or before the conclusion of the Confirmation Hearing, the Debtor shall file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

9.6 Severability. Should any provision in the Plan be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any other provisions of the Plan.

9.7 Notices. Any notice required or permitted to be provided to the Debtor shall be in writing and served by (a) certified mail, return receipt requested, (b) hand delivery, (c) overnight delivery service, or (d) electronic mail, to be addressed as follows:

If to the Debtor:

Pastor Edward Barnes
38 Jackson Street
Ansonia, CT 06401
T: (203) 558-0591
E: pastbarns@aol.com

With a copy to Debtor's counsel:

Green & Sklarz, LLC
Attn: Jeffrey M. Sklarz, Esq.
700 State Street, Suite 100
New Haven, CT 06511
T: (203) 285-8545
F: (203) 823-4546
E: jsklarz@gs-lawfirm.com

9.8 Payment of U.S. Trustee Fees. All fees payable to the United States Trustee pursuant to 28 U.S.C. § 1930 shall be paid when due until the closing of the Chapter 11 Case.

9.9 No Admission Against Error. Neither the filing of the Plan, the Disclosure Statement, nor any statement contained therein, shall be or be deemed an admission against interest by the Debtor. In the event the Plan is not consummated, neither the Plan, the Disclosure Statement nor any statement contained therein may be used or relied upon in any manner in any suit, action, proceeding or controversy within or outside the Bankruptcy Court involving the Debtor or its officers, directors, employees, members, attorneys, financial advisors, or investment bankers.

9.10 No Waiver. Nothing set forth in the Plan or Disclosure Statement shall be deemed a waiver or release of any claims, rights or Causes of Action against any Person other than the Debtor except as specifically set forth in the Plan.

9.11 Plan Modification. The Plan may be modified at any time after Confirmation and before its Substantial Consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under Section 1129 of the Bankruptcy Code. A holder of a Claim or Interest that has accepted or rejected the Plan shall be deemed to

have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection by a writing filed with the Bankruptcy Court and served in accordance with Article 9.7 of the Plan.

9.12 Setoff Against Claims. The Debtor may set off against any Claim, and the payments made pursuant to the Plan in respect of such Claim, any claims or Causes of Action of any nature whatsoever that the Debtor may have against the holder of the Claim, but neither the failure to do so nor the allowance of such Claim shall constitute a waiver or release by the Debtor of any claims, rights, or Causes of Action against the holder of the Claim. Any payment in respect of a Disputed, unliquidated or contingent Claim shall be returned promptly to the Debtor in the event and to the extent such Claims are determined by the Bankruptcy Court not to be Allowed Claims. Confirmation of the Plan shall bar any right of setoff claimed by a Creditor unless such Creditor filed, prior to the Confirmation Date, a motion for relief from the automatic stay seeking the authority to effectuate such a setoff right.

9.13 Further Action. The Debtor is authorized to take any action necessary or appropriate to execute the provisions of the Plan.

9.14 Administrative Claims Bar Date. Any and all applications for the request for the final allowance of Administrative Claims incurred by professionals employed pursuant to sections 327 and 1103 of the Bankruptcy Code shall be filed with the Bankruptcy Court and served upon the Debtor and counsel to the Debtor and served in accordance with Article 9.7 of the Plan on the date set by the Court. Failure to file and serve timely such applications or requests shall result in the disallowance of such applications or requests and they shall be barred forever.

9.15 Compliance with All Applicable Laws. If notified by any governmental authority that it is in violation of any applicable law, rule, regulation, or order of such governmental authority relating to its business or Property, the Debtor shall comply with such law, rule, regulation, or order; *provided, however*, that nothing contained herein shall require such compliance by the Debtor if the legality or applicability of any such requirement is being contested in good faith by the Debtor.

9.16 The Effective Date. The Plan will not be consummated or become binding unless and until the Effective Date occurs. The Effective Date will be the first Business Day of the first full calendar month following the Confirmation Date after the following conditions have been satisfied: (a) fourteen (14) days have passed since the Confirmation Date; (b) the Confirmation Order is not stayed; and (c) no material adverse effect has occurred with respect to the Property. A "Notice of Effective Date" shall be filed with the Court within three (3) Business Days after the Effective Date.

X. RETENTION OF JURISDICTION

10.1 Continuing Jurisdiction. The Bankruptcy Court shall retain and have exclusive jurisdiction over the Chapter 11 Case for purposes (a) through (i) below, as well as for the purposes described in Article 5.1 of the Plan:

- (a) To determine any and all objections to and proceedings involving the allowance, estimation, classification, and subordination of Claims or Interests;
- (b) To determine any and all applications for allowances of compensation and reimbursement of expenses and any other fees and expenses authorized to be paid or reimbursed under the Bankruptcy Code or the Plan;
- (c) To determine any application pending on the Effective Date for the rejection or assumption of executory contracts or for the assumption and assignment, as the case may be, of executory contracts to which the Debtor is a party or with respect to which the Debtor may be liable, and to hear and determine, and if need be, to liquidate, any and all Claims arising therefrom;
- (d) To determine any and all applications, adversary proceedings, and contested or litigated matters that may be pending in the Bankruptcy Court on the Effective Date;
- (e) To consider any modifications of the Plan, remedy any defect or omission or reconcile any inconsistency on any order of the Bankruptcy Court, including the Confirmation Order, to the extent authorized by the Bankruptcy Code;
- (f) To determine all controversies, suits, and disputes that may arise in connection with the interpretation, enforcement, or consummation of the Plan or obligations arising thereunder, including the Retained Actions and/or any other adversary proceeding, lawsuit or other claim that the Debtor may pursue, be it a pre-petition post-petition or other claim that the Debtor owns or had owned as of the Petition Date (i.e. avoidance actions of any variety);
- (g) To consider and act on the compromise and settlement of any Claim;
- (h) To issue such orders in aid of execution of the Plan to the extent authorized by section 1142 of the Bankruptcy Code; and
- (i) To determine such other matters as may be set forth in the Confirmation Order or which may arise in connection with the Plan or the Confirmation Order.

10.2 Nothing in this Article X shall constitute a waiver by the Debtor of its right to pursue Causes of Action including, but not limited to, the Retained Actions, against any Person in any court of competent jurisdiction other than the Bankruptcy Court.

XI. DISCHARGE

11.1 Discharge and Retention of Property.

- (a) The Debtor shall receive a discharge on the Effective Date.

(b) Upon the Effective Date, all Property of the Estate shall revest in the Reorganized Debtor and shall remain Property of the Estate until final distribution thereof.

(c) Pursuant to Section 1141(c) of the Bankruptcy Code, on the Effective Date the Property dealt with by the Plan shall become free and clear of all Liens, Claims, encumbrances, and interests of Creditors, including the right of setoff, except as otherwise provided for in the Plan or the Confirmation Order.

XII. EFFECT OF THE PLAN ON CLAIMS AND INTERESTS

12.1 Compromises and Settlements. In accordance with the Plan, pursuant to Bankruptcy Rule 9019(a), without further order of the Bankruptcy Court, the Debtor may compromise and settle various (a) Claims against it and (b) Causes of Action that it may have against other Persons. The Debtor expressly reserves the right to compromise and settle Claims against it and claims and Causes of Action it may have against other Persons.

12.2 Exculpation and Limitation of Liability. Except as otherwise specifically provided in this Plan, the Debtor and its present and former members, officers, directors, employees, advisors, attorneys, representatives, financial advisors, investment bankers, or agents and any of their respective successors and assigns, shall not have or incur, and are hereby released from, any claim, obligation, Cause of Action, or liability to any Person (whether or not a party in interest to this Chapter 11 Case), for any act or omission sounding in ordinary negligence and concerning only the following: administration of the Chapter 11 Case, negotiation and filing of the Plan, the filing of the Chapter 11 Case, and the pursuit of Confirmation. Claims concerning gross negligence, willful misconduct, and/or criminal conduct and in all respects shall be preserved and not released.

XIII. CONDITIONS PRECEDENT

13.1 Conditions to Confirmation. The following are conditions precedent to Confirmation that may be satisfied or waived in accordance with Article 13.3 of the Plan:

(a) The Bankruptcy Court shall have approved by Final Order the Disclosure Statement in form and substance acceptable to the Debtor; and

(b) The Confirmation Order shall be in form and substance acceptable to the Debtor.

13.2 Conditions to Consummation. The Effective Date shall have occurred. The following are conditions precedent to the occurrence of the Effective Date, each of which may be satisfied or waived in accordance with Article 13.3 of the Plan:

(a) The Confirmation Order shall have been entered;

(b) The Confirmation Date shall have occurred; and

(c) All other actions (including, but not limited to, those actions described in Article VI of the Plan), documents, consents and agreements necessary to implement the Plan shall have been effected, obtained and/or executed.

13.3 Waiver of Conditions to Confirmation or Consummation. The conditions set forth in Articles 13.1 and 13.2 of the Plan may be waived by the Debtor without any notice to other parties-in-interest or the Bankruptcy Court and without a hearing. The failure of the Debtor in its sole and absolute discretion to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

XIV. ALTERNATIVES TO THE PLAN

Based upon the information available and known by the Debtor, the Debtor has concluded that, should the Plan *not* be confirmed, it is likely that Unsecured Creditors would *not* receive Distributions and that only Nutmeg and AWCPA will receive distributions. Accordingly, the Debtor believes that the Plan offers the best prospects of recovery for the holders of *all* Claims against and Interests in the Debtor.

XV. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

There should be no federal income tax consequences in connection with the distributions to Creditors under the Plan other than consequences normally attendant to payment of an obligation by a debtor to a creditor.

THE FOREGOING DESCRIPTION OF FEDERAL INCOME TAX CONSEQUENCES IS INTENDED MERELY AS AN AID FOR CREDITORS AND INTEREST HOLDERS AND NEITHER THE DEBTOR NOR ITS ATTORNEYS OR ITS FINANCIAL ADVISORS ASSUME ANY RESPONSIBILITY IN CONNECTION WITH THE INCOME TAX LIABILITY OF ANY CREDITOR OR HOLDER OF AN INTEREST. EACH HOLDER OF A CLAIM SHOULD CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE FOREIGN, FEDERAL, STATE, AND LOCAL TAX CONSEQUENCES OF THE PLAN.

XVI. RECOMMENDATION

It is the position of the Debtor that the Plan is substantially preferable to a liquidation under Chapter 7 of the Bankruptcy Code. Conversion of the Chapter 11 Case to a Chapter 7 proceeding would result in: (i) delays in the distribution of proceeds available under such alternative; (ii) increased administrative costs; and (iii) increased uncertainty as to whether any funds would be available to make any distributions.

**IN LIGHT OF THE FOREGOING, THE DEBTOR RECOMMENDS
ACCEPTANCE AND CONFIRMATION OF THE PLAN.**

Dated: May 30, 2017

THE DEBTOR: The Greater Evangel Church of
God in Christ, Inc.

By: /s/
Pastor Edward Barnes
Its President

By: /s/ Jeffrey M. Sklarz
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