

<p>UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY</p> <p>Timothy P. Neumann, Esq. [TN6429] Broege, Neumann, Fischer & Shaver, LLC 25 Abe Voorhees Drive Manasquan, New Jersey 08736 (732) 223-8484 Attorneys for the Debtor and Debtor-In-Possession</p>	<p>In Re:</p> <p>JEWISH COMMUNITY CENTER OF GREATER MONMOUTH COUNTY, a New Jersey not-for-profit corporation</p> <p>Debtor.</p>
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Case No.: 11-44738

Chapter 11

Judge: Michael B. Kaplan

DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE DESCRIBING CHAPTER 11 PLAN PROPOSED BY JEWISH COMMUNITY CENTER OF GREATER MONMOUTH COUNTY

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 PLAN PROPONENT BELIEVES THAT THIS PLAN OF REORGANIZATION IS IN THE BEST INTEREST OF THE CREDITORS AND THAT THE PLAN IS FAIR AND EQUITABLE. THE PROPONENT URGES THAT THE VOTER ACCEPT THE PLAN.

Jewish Community Center of Greater Monmouth County

By: /s/ Stephen Levy
Stephen Levy, President

DATED: June 22, 2012

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**I.
INTRODUCTION**

Jewish Community Center of Greater Monmouth County (hereinafter referred to as the “Debtor”) is the debtor in a Chapter 11 bankruptcy case. On December 5, 2011 (the “Petition Date”) the Debtor commenced a bankruptcy case by filing a voluntary Chapter 11 petition under the United States Bankruptcy Code (“Code”), 11 U.S.C. §101, *et seq.* Chapter 11 of the Code allows the Debtor, and under some circumstances, creditors and other parties in interest, to propose a plan of reorganization (“Plan”). The Plan may provide for the Debtor to reorganize by continuing to operate, to liquidate by selling assets of the estate, or a combination of both. The Debtor is the party proposing the Plan sent to you in the same envelope as this document. THE DOCUMENT YOU ARE READING IS THE DISCLOSURE STATEMENT FOR THE PLAN WHICH IS ANNEXED HERETO AS EXHIBIT A. This is a plan of reorganization but does provide for possible sale of the Debtor’s assets. The Effective Date of the proposed Plan is 30 days after entry of an Order of the Bankruptcy Court confirming the Plan.

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 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 lawyer 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. If there are any inconsistencies between the Plan and the Disclosure Statement, the Plan provisions will govern. Code Section 1125 requires a Disclosure Statement to contain “adequate information” concerning the Plan. The term “adequate information” is defined in 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 debtor to make an informed judgment about accepting or rejecting the Plan. The Bankruptcy Court (“Court”) has determined that the information contained in this Disclosure Statement is adequate, and it has approved this document in accordance with Code Section 1124. This Disclosure Statement is provided to each creditor whose claim has been scheduled by the Debtor or who has filed a proof of claim against the Debtor 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. Confirmation Procedures

1. Persons Potentially Eligible to Vote on the Plan.

In determining acceptance of the Plan, votes will only be counted if submitted by a creditor whose claim is duly scheduled by the Debtor as undisputed, non-contingent and unliquidated, or who, prior to the deadline for filing claims (“Bar Date” see § IV, A, 2, a. below),

has filed with the Court a proof of claim which has not been disallowed or suspended prior to computation of the votes on the Plan. All shareholders, partners or members, if any, of record as of the date of approval of this Disclosure Statement may vote on the Plan. The Ballot Form that you received does not constitute a proof of claim. If you are uncertain whether your claim has been correctly scheduled, you should check the Debtor's Schedules, which are on file at the office of the Clerk of the Bankruptcy Court located at: United States Bankruptcy Court, U.S. Court House, (insert address). The Clerk of the Bankruptcy Court will not provide this information by telephone. THE COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE NOT YET BINDING ON ANYONE. HOWEVER, IF THE COURT LATER CONFIRMS THE PLAN, THEN THE PLAN WILL BE BINDING ON THE DEBTOR AND ON ALL CREDITORS AND INTEREST HOLDERS IN THIS CASE.

2. Time and Place of the Confirmation Hearing

The hearing at which the Court will determine whether to confirm the Plan will take place on _____, at _____ {A.M./P.M.}, in the Courtroom of the Honorable Michael B. Kaplan, U.S.B.J., United States Bankruptcy Court, 402 East State Street, Trenton, New Jersey 08608.

3. Deadline For Voting For or Against the Plan

If you are entitled to vote, it is in your best interest to timely vote on the enclosed ballot and return the ballot in the enclosed envelope to the Office of the Clerk, United States Bankruptcy Court, 402 East State Street, Trenton, New Jersey 08608. Your ballot must be received by _____ 2012 or it will not be counted.

4. Deadline For Objecting to the Confirmation of the Plan

Objections to the confirmation of the Plan must be filed with the Court and served by upon the following:

TIMOTHY P. NEUMANN, ESQ.
Broege, Neumann, Fischer & Shaver, LLC
25 Abe Voorhees Drive
Manasquan, New Jersey 08736
(732) 223-8484 (ext. 2)
tneumann@bnfsbankruptcy.com

4. Identity of Person to Contact for More Information Regarding the Plan

Any interested party desiring further information about the Plan should contact Timothy P. Neumann, Esq., at the above address, phone number or email address.

C. Disclaimer

The financial data relied upon in formulating the Plan is based on the books and records of the Debtor. The information contained in this Disclosure Statement is provided by the Debtor. The Plan Proponent represents that everything stated in the Disclosure Statement is true to the Proponent's best knowledge. **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.**

BACKGROUND

A. Description and History of the Debtor's Business

The Debtor has for 73 years served the Monmouth County community providing educational and recreational services and facilities from its center at 100 Grant Avenue in Deal, New Jersey. The center offers:

Fitness and Wellness Facilities including:

- State-of-the-Art Fitness Center
- 2 Gymnasiums
- Indoor Running Track
- 25-Meter Indoor Pool
- 25-Meter Outdoor Pool
- Health Club: Steam Room, Jacuzzi & Sauna
- 2 Racquetball Courts
- Group Exercise Rooms
- Dance Studio
- Outdoor Sports Fields and Courts

Early Childhood Education Facilities including:

- Self Contained Education Wing
- 2 Dedicated Preschool Facilities
- Indoor "J-Zone" Play Area

Center Facilities including:

- 520-Seat Theater (Axelrod Performing Arts Center)
- Gallery on Grant Art Exhibit Hall
- Library
- Multi-Purpose Rooms / Conference Halls
- J Café Kosher Restaurant
- Youth Center and Lounge
- Senior Lounge

The Debtor became unable to pay its liabilities due to the downturn in the economy, poor business decisions made by prior management, and a decline in donations and fee-based revenues. The Debtor filed for Chapter 11 to provide it sufficient time to develop a business plan and continue to serve the community.

B. Board of Directors of Debtor

The following individuals are the members of the Debtor’s board of directors: Dr. Marc H. Berley; Raquel Cohen; Irv Dayan; Dr. Barry Edison; Dr. Adam Eisenberg; Evan Gartenberg; Amy Greenspan; Ruth Hyman (Honorary); Ellen Jemal; Chris Katz; Ralph Mandill; Grace Marcus; Jessica Schwartzberg; Raisy Sultan; Clifford Wasser; Dr. Lewis Wetstein; Jay Wohl; Shiri Zimmerman

C. Management of the Debtor Before and After the Bankruptcy.

The Debtor’s management before and during the bankruptcy proceeding was conducted by:

President	Treasurer	Secretary	Sr Vice President	Vice Presidents
Stephen Levy	Paul Perry	Jan Greenspan	Arnold Gelfman	Jeanne Epstein Dr. Fred C. Ezon Dalit Goldwert Solomon S. Greenspan Alan Jacobs Dr. H. Lawrence Karasic Dr. Richard Marcus

D. Events Leading to Chapter 11 Filing

The Debtor filed Chapter 11 because it was facing foreclosure and wished to preserve the equity in its real property and reorganize to continue its mission to serve the community.

E. Significant Events During the Bankruptcy

1. Bankruptcy Proceedings.

- (a) The Court has approved the employment of the following professionals: the law firm of Broege, Neumann, Fischer & Shaver, LLC as attorneys for the Debtor;
- (b) Application For Retention of Professional CBRE, Inc. as Realtor.
- (c) Motion for Relief from Stay re: 100 Grant Avenue, Deal NJ filed by TD Bank, N.A..

2. Other Legal Proceedings. Prepetition foreclosure action by TD Bank, N.A.

3. Actual and Projected Recovery of Preferential or Fraudulent Transfers. The Debtor does not contemplate initiating any actions to recover fraudulent conveyance and preferences.

5. Current and Historical Financial Conditions. The post petition operations of the Debtor are as reflected on the Interim Financial Reports filed by the Debtor on a monthly basis with the Clerk of the United States Bankruptcy Court and the office of the United States Trustee for the District of New Jersey. The Interim Financial Reports are available for inspection and review at either the office of the Clerk of the United States Bankruptcy Court, 402 East State Street, Trenton, New Jersey 08607 or the office of the United States Trustee for the District of New Jersey, 1 Newark Center, Suite 2100, Newark, New Jersey 07102, as well as, the office of the attorneys for the Debtor. A copy of the Debtor’s most recent monthly report to the U.S. Trustee is annexed hereto as Exhibit B. The schedules filed by the Debtor and the balance sheet included in the April 2012 Monthly Operating Report of the Debtor indicates the following:

Assets	
Real Property	14,250,000.00
Personal Property	
Checking Account	3,500.00
Total assets	\$ 14,253,000.00
Liabilities	
TD Bank	6,456,541.01
Priority Claims	195,298.31
General Unsecured Claims	1,055,898.17

III.

SUMMARY OF THE 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.

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 Proponent has 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 case which are allowed under Code Section 507(a)(1), including all professional compensation requests pursuant to Sections 330 and 331 of the Code. The Code requires that all administrative expenses including fees payable to the Bankruptcy Court and the Office of the United States Trustee which were incurred during the pendency of the case must be paid on the Effective Date of the Plan, unless a particular claimant agrees to a different treatment. The following chart lists all of the Debtor's unpaid administrative fees and expenses ("Compensation"), an estimate of future professional fees and other administrative claims and fees and their treatment under the Plan:

NAME	CLAIM FOR	TREATMENT	ESTIMATED
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			AMOUNT
Clerk's Office	Fees	Paid in full on Effective Date	
Office of U.S. Trustee	Quarterly Fees	Paid in full on Effective Date	
Broege, Neumann, Fischer & Shaver, LLC	Legal Fees	Paid in full on Effective Date	
Bederson & Co.	Accounting Fees	Paid in full on Effective Date	

2. **Court Approval of Professional Compensation Required:** Pursuant to the Bankruptcy Code, the Court must rule on all professional compensation and expenses listed in this chart before the compensation and expenses will be owed. The professional in question must file and serve a properly noticed fee application for compensation and reimbursement of expenses and the Court must rule on the application. Only the amount of compensation and reimbursement of expenses allowed by the Court will be owed and required to be paid under this Plan as an administrative claim. Each professional person who asserts a further administrative claim that accrues before the confirmation date shall file with the Bankruptcy Court, and serve on all parties required to receive notice, an application for compensation and reimbursement of expenses no later than thirty (30) days after the Effective Date of the Plan. Failure to file such an application timely shall result in the professional person's claim being forever barred and discharged. Each and every other person asserting an administrative claim shall be entitled to file a motion for allowance of the asserted administrative claim within ninety days of the Effective Date of the Plan, or such administrative claim shall be deemed forever barred and discharged. No motion or application is required to fix the fees payable to the Clerk's Office or Office of the United States Trustee. Such fees are determined by statute. As indicated above, the Debtor will need to pay the administrative claims and fees on the Effective Date of the

Plan unless a claimant has agreed to be paid later or the Court has not yet ruled on the claim.

3. **Priority Tax Claims.** Priority tax claims are certain unsecured income, employment and other taxes described by Code Section 507(a)(8). The Code requires that each holder of such a Section 507(a)(8) priority tax claim receive on account of such claim regular installment payments in cash—

(i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim;

(ii) over a period ending not later than 5 years after the date of the order for relief under section 301, 302, or 303 of the Bankruptcy Code; and

(iii) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the plan (other than cash payments made to a class of creditors under section 1122 (b) of the Bankruptcy Code).

The following chart lists all of the Debtors’ Section 507(a)(8) priority tax claims and their treatment under the Plan:

DESCRIPTION	AMOUNT OWED	TREATMENT
Internal Revenue Service	NO CLAIMS FILED	Pay in Full on the Effective Date.
State of New Jersey Division of Taxation	NO CLAIMS FILED	Pay in Full on the Effective Date.
State of New Jersey Dept. of Labor and Workforce Development	\$4,281.11 \$7,532.86	Pay in Full on the Effective Date.

C. CLASSIFIED CLAIMS AND INTERESTS.

1. **Classes of Secured Claims.** Secured claims are claims secured by liens on property of the estate. The following represent all classes containing Debtor’s secured pre-petition claims and their treatment under this Plan:

CLASS #	DESCRIPTION	INSIDERS (Y/N)	IMPAIRED (Y/N)	TREATMENT
1	Secured Claim of TD Bank, N.A. in the amount of \$6,711,242.85 encumbering the real property commonly referred to as 100 Grant Avenue, Deal, NJ 07728 (the “Deal Property”)	NO	YES	The creditor in this Class shall retain its prepetition lien on the Debtor’s assets which shall secure all sums due or to become due, including without limitation, pre and post petition interest and counsel fees. Debtor shall begin to make interest payments monthly in arrears on the total amount of the undisputed secured claim, upon the upon the Effective Date at the simple variable interest rate of 30 day LIBOR plus 2%, adjusted on each anniversary of the Effective Date. Beginning at the end of the 13 month following the Effective Date, Debtor will in addition to the interest payment make a monthly principal payment based upon a 30 amortization schedule with a balloon payment at the end of the 72 months. The loan will be repayable at par in whole or part without any penalty. The Debtor will create an interest reserve of six months of estimated interest expense, that will be replenished every six months. All interest payments will be made from

				<p>this interest reserve. The Debtor reserves the right to market and sell the Deal Property to a bona fide arms-length purchaser at fair market value. In the event of such sale, the Claim in this Class shall be paid in full. Until such sale, the Debtor shall pay all real estate taxes, if applicable, and all interest and principal outlined above, when due and shall maintain insurance on the real property and improvements for the benefit of this Class.</p>
2	<p>Secured claim of Donald Epstein in the amount of \$254,444.44 encumbering the real property commonly referred to as Lot23 and 24 on Rote 9 Marlboro, NJ(the “Marlboro Property”)</p>			<p>The creditor in this Class shall retain its prepetition lien on the Debtor’s assets which shall secure all sums due or to become due, including without limitation, pre and post petition interest and counsel fees. The Debtor will be given six months from the Effective Date to sell the Marlboro Property to a bona fide arms-length purchaser at fair market value. In the event of such sale, it is anticipated that the Claim in this Class shall be paid in full. If not, payment will be on the same terms as the Class One creditor. Until such sale, the Debtor shall pay all real estate taxes and maintain the property.</p>

2. **Priority Non-Tax Claims.** Certain priority non-tax claims that are referred to in Code Sections 507(a)(3), (4), (5), (6), and (7) are entitled to priority treatment. These claims are to be treated as follows:

CLASS#	DESCRIPTION	IMPAIRED (Y/N)	TREATMENT
3	Priority Wage Claims	NO	Pay in Full on the Effective Date.
4	Priority Employee Benefit Plan claims	NO	Pay in Full on the Effective Date.

3. **Class of General Unsecured Claims.** General unsecured claims are unsecured claims not entitled to priority under Code Section 507(a). These claims are to be treated as follows:

CLASS#	DESCRIPTION	IMPAIRED (Y/N)	TREATMENT
5	General unsecured claims estimated to total \$1,662,060.18	YES	Claims in this Class shall paid 25% of their Allowed Claims on the Effective Date (such Claims hereafter referred to as “Non-Electing Claims”) unless the holder of any Allowed Claim elects to receive 100% of their Allowed Claim on the following terms: commencing on the first anniversary of the Effective Date, the Claims so electing shall be paid in full in 60 monthly payments with no interest. (such Claims hereafter referred to as “Electing Claims”) The Electing Claims shall be secured by a third mortgage on the Deal Property. The mortgagee shall be a trustee to be chosen by majority vote of the Electing Claims who shall hold the mortgage to and for the benefit of the holders of Electing Claims and who shall receive payments on their behalf and make distributions to the holders of Allowed Electing Claims from the payments made by the Debtor in accordance with the terms of the Jewish Community Center of Greater Monmouth County Electing Claims Trust Indenture, a copy of which is annexed hereto as Exhibit A and made a part hereof.

6	Prior Donors, Sponsors and Dedicators who paid money or donated goods or services in return, in whole or part, for their name, or the name of their designee, being advertised or affixed to the building or a particular room or facility of the building on the Deal Property.	YES	The interests in this Class will be paid nothing. All existing or pending rights to signage or dedications relating to the Deal Building or any part thereof and/or sponsorship name or rights to use portions of the Deal Property or run any programs at the Deal Property will be extinguished as of the Effective Date.
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4. **Class(es) of Equity Interest Holders.** The members of this class will be treated as follows:

CLASS#	DESCRIPTION	IMPAIRED (Y/N)	TREATMENT
7	Member interests	YES	The interests in this Class will be paid nothing and any rights to membership shall be extinguished as of the Effective Date. The amount if any remaining from the sale of the Real Property after all Allowed Claims have been paid in full will remain property of the Debtor to be utilized in a manner consistent with New Jersey law governing not-for-profit corporations and consistent with the original goals and purposes of the Debtor.

5. **Procedures for Resolving Contested Claims.** The Debtor and/or the Disbursing Agent shall have 60 days subsequent to confirmation to object to the allowance of claims. The Proponent has reviewed the claims that have been filed. The Proponent intends to object to the following Claims: **[to be supplied]**

6. Effective Date. The Plan will become effective on the Effective Date which is the date 30 days after entry by the Bankruptcy Court of the order of confirmation.

7. Modification. The Plan Proponent may alter, amend or modify the Plan at any time prior to the Confirmation Date and thereafter as provided in Section 1127(b) of the Bankruptcy Code.

F. Tax Consequences of Plan. CREDITORS AND INTEREST HOLDERS CONCERNED WITH HOW THE PLAN MAY AFFECT THEIR TAX LIABILITY SHOULD CONSULT WITH THEIR OWN ACCOUNTANTS, ATTORNEYS, AND/OR ADVISORS. The following disclosure of possible tax consequences is intended solely for the purpose of alerting readers to possible tax issues this Plan may present to the Debtor. The Proponent CANNOT and DOES NOT represent that the tax consequences contained below are the only tax consequences of the Plan because the Tax Code embodies many complicated rules which make it difficult to state completely and accurately all the tax implications of any action.

1. Federal Income Tax Consequences to the Debtor. Since the Debtor does not intend to repay all creditors in full, the difference between payment in full and the amount to be paid under the Plan will be treated as cancellation of indebtedness income under § 108 of the IRC. The Debtor will not have to pay income taxes on account of such cancellation of indebtedness income, but will be required to write down tax loss carry forwards or, at the election of the Debtor, the adjusted bases in depreciable assets.

2. Federal Income Tax Consequences to Holders of Allowed Claims. Holders of Allowed Claims are likely to recognize a gain or loss equal to the amount realized under the Plan in respect of their Claims less their respective tax bases in their Claims. The amount realized for this purpose will generally equal the sum of the cash, discounted to present value, received by holders under the Plan in respect of their Claims. Any gain recognized by the holder of an

Allowed Claim will generally be treated as capital gain, provided that the Claim represented a capital asset in such holders' hands. The character of any gain or loss recognized will also depend on a number of other factors, including the tax status of the holder, whether the Claim was purchased at a discount, and whether and to what extent the Holder has previously claimed a bad debt deduction with respect to the Claim. The capital gain will be considered long term with respect to Claims held for more than one year, and short term with respect to claims held for one year or less. The holders' aggregate tax basis for any consideration received under the Plan will generally equal the amount realized. The holding period for any consideration received under the Plan will generally begin with the date following the receipt of such consideration.

Holders of Allowed Claims not previously required to have included in their gross income any accrued but unpaid interest on a Claim may be treated as receiving taxable interest income to the extent any consideration received under the Plan is allocable to such interest. Holders previously required to include in their gross income any accrued but unpaid interest on a Claim may be entitled to recognize a deductible loss to the extent such interest is not satisfied under the Plan. Holders of Allowed Claims constituting installment obligations for tax purposes may be required to recognize currently any gain remaining with respect to the obligations if pursuant to the Plan the obligation is considered to be satisfied at other than its face value, distributed, transmitted, sold or otherwise disposed of within the meaning of section 453(b) of the IRC.

A holder who under the Plan receives in respect of its Allowed Claim an amount less than the holders' tax basis in such Claim may be entitled in the year of receipt or in an earlier year to a bad debt deduction in some amount under Section 166 of the IRC or a worthless securities deduction under Section 165 (g) of the IRC. A holder of an Allowed Claim may be

entitled to a bad debt deduction with respect to such Claim only if (a) such holder is a corporation, or (b) such Claim constituted a debt either (i) created or acquired (as the case may be) in connection with a trade or business of such holders or (ii) debt the loss from the worthlessness of which is incurred in such Holder's trade or business. A holder that has previously recognized a bad debt deduction with respect to its Claim, however, may be required to include in its gross income (as ordinary income) any amounts received under the Plan to the extent such amounts exceed the holders' adjusted basis in such Claim.

G. Risk Factors. The following discussion is intended to be a non-exclusive summary of certain risks attendant upon the consummation of the Plan. You are encouraged to supplement this summary with your own analysis and evaluation of the Plan and Disclosure Statement, in their entirety, and in consultation with your own advisors. Based on the analysis of the risks summarized below, the Plan Proponent believes that the Plan is viable and will meet all requirements of confirmation: the greatest risk is that the Debtor will not realize sufficient proceeds from the sale of its real property to make payments to creditors under the plan.

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OF THIS PLAN SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON CONFIRMING A PLAN OF REORGANIZATION IS VERY COMPLEX. The following discussion is intended solely for the purpose of alerting readers about basic confirmation issues, which they may wish to consider, as well as certain deadlines for filing claims. The proponent CANNOT and DOES NOT represent that the discussion contained below is a complete summary

of the law on this topic. Many requirements must be met before the Court can confirm a Plan. Some of the requirements include that the Plan must be proposed in good faith, that creditors or interest holders have accepted the Plan, that the Plan pays creditors at least as much as creditors would receive in a Chapter 7 liquidation, and that the Plan is feasible. These requirements are not the only requirements for confirmation.

A. Who May Vote or Object

1. Who May Object to Confirmation of the Plan. Any party in interest may object to the confirmation of the Plan, but as explained below not everyone is entitled to vote to accept or reject the Plan.

2. Who May Vote to Accept/Reject the Plan. A creditor or interest holder has a right to vote for or against the Plan if that creditor or interest holder has a claim that is both (1) allowed or allowed for voting purposes and (2) classified in an impaired class.

a. What Is an Allowed Claim/Interest. As noted above, a creditor or interest holder must first have an allowed claim or interest to have the right to vote. Generally, any proof of claim or interest will be allowed, unless a party in interest brings a motion objecting to the claim. When an objection to a claim or interest is filed, the creditor or interest holder holding the claim or interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or interest for voting purposes. **THE BAR DATE FOR FILING A PROOF OF CLAIM IN THIS CASE WAS April 4, 2012 but April 27, 2012 as to those creditors who were added to the Debtors schedules by Amendment filed on February 24, 2012.** A creditor or interest holder may have an allowed claim or interest even if a proof of claim or interest was not timely filed. A claim is deemed allowed if (1) it is scheduled on the Debtor's schedules and such claim is not scheduled as disputed, contingent, or unliquidated, and (2) no

party in interest has objected to the claim. An interest is deemed allowed if it is scheduled and no party in interest has objected to the interest.

b. What Is an Impaired Claim/Interest. As noted above, an allowed claim or interest only has the right to vote if it is in a class that is impaired under the Plan. A class is impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class. For example, a class comprised of general unsecured claims is impaired if the Plan fails to pay the members of that class 100% of their claim plus interest. In this case, the Proponent believes that classes ONE, TWO, FIVE, SIX and SEVEN are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. Parties who dispute the Proponent's characterization of their claim or interest as being impaired or unimpaired may file an objection to the Plan contending that the Proponent has incorrectly characterized the class.

3. Who Is Not Entitled to Vote. The following four types of claims are not entitled to vote: (1) claims that have been disallowed; (2) claims in unimpaired classes; (3) claims entitled to priority pursuant to Code Section 507(a)(1), (a)(2), and (a)(8) ; and (4) claims in classes that do not receive or retain any value under the Plan. Claims in unimpaired classes are not entitled to vote because such classes are deemed to have accepted the Plan. Claims entitled to priority pursuant to Code Section 507(a)(1), (a)(2), and (a)(7) are not entitled to vote because such claims are not placed in classes and they are required to receive certain treatment specified by the Code. Claims in classes that do not receive or retain any value under the Plan do not vote because such classes are deemed to have rejected the Plan. **EVEN IF YOUR CLAIM IS OF THE TYPE DESCRIBED ABOVE, YOU MAY STILL HAVE A RIGHT TO OBJECT TO THE CONFIRMATION OF THE PLAN.**

4. Who Can Vote in More Than One Class. A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim is entitled to accept or reject a Plan in both capacities by casting one ballot for the secured part of the claim and another ballot for the unsecured claim.

5. Votes Necessary to Confirm the Plan. If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by “cramdown” on non-accepting classes, as discussed later in Section (IV.A.8.).

6. Votes Necessary for a Class to Accept the Plan. A class of claims is considered to have accepted the Plan when more than one-half ($\frac{1}{2}$) in number and at least two-thirds (b) in dollar amount of the allowed claims that actually voted, voted in favor of the Plan. A class of interests is considered to have accepted the Plan when at least two-thirds (b) in amount of the allowed interest-holders of such class which actually voted, voted to accept the Plan.

7. Treatment of Nonaccepting Classes. As noted above, even if all impaired classes do not accept the proposed Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner required by the Code. The process by which nonaccepting classes are forced to be bound by the terms of the Plan is commonly referred to as “cramdown”. The Code allows the Plan to be “crammed down” on nonaccepting classes of claims or interests if it meets all consensual requirements except the voting requirements of Section 1129(a)(8) and if the Plan does not “discriminate unfairly” and is “fair and equitable” toward each impaired class that has not voted to accept the Plan as referred to in 11 U.S.C. §1129(b) and applicable case law.

8. Request for Confirmation Despite Nonacceptance by Impaired Class(es). The party proposing this Plan asks the Court to confirm this Plan by cramdown on impaired classes if any of these classes do not vote to accept the Plan.

B. Feasibility. A requirement for confirmation involves the feasibility of the Plan, which means that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan. There are at least two important aspects of a feasibility analysis.

(1) The first aspect considers whether the Debtor will have enough cash on hand on the Effective Date of the Plan to pay all the claims and expenses that are entitled to be paid on such date. The Plan Proponent maintains that this aspect of feasibility is satisfied as illustrated here:

Cash Debtor will have on hand by Effective Date ¹	\$700,000.00
To Pay: Statutory costs & charges	1,0000
To Pay: Expenses of Administration	
to Broege, Neumann, Fischer & Shaver, LLC	_____
to Bederson & Co.	_____
To Pay: Plan Payments due on Effective Date -	0
to State of New Jersey Dept. of Labor and Workforce Development	11,813.97
to TD Bank first interest payment	12,500.00
to Unsecured Class III Non-Electing	200,000.00
to TD interest reserve	75,000.00
Balance after paying these amounts	\$_____

The sources of the cash Debtor will have on hand by the Effective Date, as shown above, are the new value capital contribution to be made by the members of the Debtor.

(2) The second aspect considers whether the Proponent will have enough cash over the life of the Plan to make the required Plan payments. The Proponent believes that this second aspect of the feasibility requirement is met for the following reasons: the plan provides as a last resort for sale of the Real Property which is worth far more than needed to pay all claims in full.

V.
EFFECT OF CONFIRMATION OF PLAN

A. Discharge. The Plan provides that upon confirmation of the Plan, the Debtor shall be discharged of liability for payment of debts incurred before confirmation of the Plan, to the extent specified in 11 U.S.C. §1141. However, any liability imposed by the Plan will not be discharged. If Confirmation of the Plan does not occur or if, after Confirmation occurs, the Debtor elects to terminate the Plan, the Plan shall be deemed null and void. In such event, nothing contained in the Plan shall be deemed to constitute a waiver or release of any claims against the Debtor or its estate or any other persons, or to prejudice in any manner the rights of the Debtor or its estate or any person in any further proceeding involving the Debtor or its estate. The provisions of the Plan shall be binding upon Debtor, all Creditors and all Equity Interest Holders, regardless of whether such Claims or Equity Interest holders are impaired or whether such parties accept the Plan, upon Confirmation thereof.

B. Revesting of Property in the Debtor. Except as provided in the Plan, the confirmation of the Plan revests all of the property of the estate in the Debtor.

C. Modification of Plan. The Proponent may modify the Plan at any time before confirmation. However, the Court may require a new disclosure statement and/or revoting on the Plan if Proponent modifies the plan before confirmation. The Proponent may also seek to modify the Plan at any time after confirmation so long as (1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed modification after notice and a hearing. Proponent further reserves the right to modify the treatment of any Allowed Claims at any time after the Effective Date of the Plan upon the consent of the Creditor whose Allowed Claim treatment is being modified, so long as no other Creditors are materially adversely affected.

D. Post-Confirmation Conversion/Dismissal. A creditor or party in interest may bring a motion to convert or dismiss the case under Section 1112 (b), after the Plan is confirmed, if there is a default in performance of the Plan or if cause exists under Section 1112(b). If the Court orders the case converted to Chapter 7 after the Plan is confirmed, then all property that had been property of the Chapter 11 estate, and that has not been disbursed pursuant to the Plan, will revert in the Chapter 7 estate, and the automatic stay will be reimposed upon the reverted property only to the extent that relief from stay was not previously granted by the Court during this case. Quarterly fees pursuant to 28 U.S.C. § 1930(a)(6) continue to be payable to the Office of the United States Trustee post-confirmation until such time as the case is converted, dismissed, or closed pursuant to a final decree.