IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re: Kenmore Realty Group, LLC, an Illinois Limited Liability Company, Debtor/Debtor-in-Possession.	)))	Case No. 10-55868
In re: Joseph Junkovic, Debtor/Debtor-in-Possession.	))	Case No. 10-55888
In re: Tom Junkovic, Debtor/Debtor-in-Possession.	))	Case No. 10-55896
In re: Maria Junkovic, Debtor/Debtor-in-Possession.	))	Case No. 10-55902
In re: MFJT, LLC, an Illinois Limited Liability Company, Debtor/Debtor-in-Possession.	)))	Case No.11-11819
In re: Mokena Corp., an Illinois corporation, Debtor/Debtor-in-Possession.	)))	Case No. 11-11820
In re: Garden Apts., LLC, an Indiana Limited Liability Company, Debtor/Debtor-in-Possession.	)))	Case No. 11-19271
In re: Midwestern Equities, LLC, an Illinois Limited Liability Company Debtor/Debtor-in-Possession.	)))	Case No. 11-19283 Chapter 11 Cases Judge Eugene R. Wedoff

DEBTORS' FIRST AMENDED JOINT DISCLOSURE STATEMENT

Kenmore Realty Group, LLC ("Kenmore"), Joseph Junkovic ("Joseph"), Tom Junkovic ("Tom"), Maria Junkovic ("Maria"), MFJT, LLC ("MFJT"), Mokena Corp. ("Mokena), Garden Apts., LLC ("Garden"), and Midwestern Equities, LLC ("Midwestern"), Debtors/Debtors-in-Possession herein ("Debtors"), by and through their attorneys, file this First Amended Joint Disclosure Statement ("Disclosure Statement") pursuant to §1125 of the Bankruptcy Code and in conjunction with their First Amended Joint Plan of Reorganization ("Plan"). A copy of the Plan is attached to this Disclosure Statement as **Exhibit "A."**

CHART OF TREATMENT OF CLAIMS AND INTERESTS UNDER PLAN

CATEGORY	AMOUNT OF CLAIM	TREATMENT
Priority Administrative Claims[1]	approx. $240,000.00	Paid in full on Effective Date, unless otherwise agreed.
Priority Tax Claims	approx. $28,354.41	Paid in full with interest at the rate of 4.5% in equal monthly installments of principal and interest, commencing with the first installment on the Effective Date, and with the final installment due no later than 5th anniversary of the Petition Dates.
Priority Non-Administrative Claims	approx. $789.00	Paid in full on Effective Date, unless otherwise agreed.
Chase Home Finance, LLC (Class 1) 30 E. Huron, Unit 5207, Chicago, Illinois	approx. $432,343.94	Current principal and interest payments on the Secured Claim to be paid pursuant to the terms of its note, beginning on the Effective Date, at the contract non-default interest rate, with arrearages capitalized at the contract non-default interest rate, with payments of said arrearages in the same amount as the current payments of principal and interest, and with such payments on the arrearages added on to the end of the term of its note, thereby extending the term of its note by those monthly installment payments.
Community First Bank, (Class 2) 1218 West Morse, Chicago, Illinois,	approx. $600,000.00	Secured Claim to be paid pursuant to the terms of its note.
First Midwest Bank (Class 3) 3869 North Ottawa, Chicago, Illinois	approx. $319,199.06	Secured Claim to be paid by virtue of surrender of property to First Midwest Bank; Deficiency Claim, if any, to be paid as a Non-Priority Unsecured Claim.

[1]Capitalized terms are defined in Article I of the Plan.

Wells Fargo Home Mortgage (Class 4) 222 North Columbus, Unit 1304, Chicago, Illinois	approx. $355,820.00	Secured Claim to be paid by virtue of surrender of property to Wells Fargo and Condo Association; Deficiency Claim, if any, to be paid as a Non-Priority Unsecured Claim.
222 North Columbus Condominium Association (Class 5) 222 North Columbus, Unit 1304, Chicago, Illinois	approx. $12,000.00	Secured Claim to be paid by virtue of surrender of property to Wells Fargo and Condo Association; Deficiency Claim, if any, to be paid as a Non-Priority Unsecured Claim.
Harris Bank (Class 6) 19001 Old LaGrange Road, Mokena, Illinois	approx. $4,753,645.59	Secured Claim paid over 84 months in equal installments with the first installment commencing on the Effective Date with an interest rate of 4.5% and a 25 year amortization. Balance due on the 7th anniversary of the Effective Date.
Carmel Real Estate (Class 7) 19001 Old LaGrange Road, Mokena, Illinois	approx. $428,500.00	Secured Claim paid over 84 months in equal installments of interest only, with the first installment commencing on the Effective Date with an interest rate of 4.5% and the principal balance due on the 7th anniversary of the Effective Date. In the alternative, the claimant may accept the sum of $100,000 in cash on the Effective Date in full satisfaction of its Secured Claim.
Harris Bank (Class 8) College Square Apartments, 808 Ridge Road, DeKalb, Illinois	approx. $7,971,476.71	Secured Claim paid from proceeds of liquidation of its collateral; Deficiency Claim, if any, to be paid as a Non-Priority Unsecured Claim.
Mechanic's Lien Claimants (Class 9) College Square Apartments, 808 Ridge Road, DeKalb, Illinois	approx. $71,000.00	Secured Claims, if any, paid from proceeds of liquidation of collateral; Deficiency Claims, if any, to be paid as Non-Priority Unsecured Claims.

Wheaton Bank & Trust (Class 10) 423 Engel, Park Ridge, Illinois	approx. $1,050,056.12	Pursuant to settlement, Tom shall occupy the premises for either one year or for 60 days after Wheaton Bank obtains a buyer for the premises, whichever occurs sooner, with no payments to be made to Wheaton Bank, and Wheaton Bank and Tom will exchange releases.
VW Credit Inc. (Class 11) 2010 Volkswagon Jetta	approx. $8,000.00	Current payments on the Secured Claim will continue to be paid pursuant to the terms of its note.
CitiMortgage (Class 12) 4831 North Oketo, Harwood Heights, Illinois	approx. $256,138.26	Current principal and interest payments on the Secured Claim to be paid pursuant to the terms of its note, beginning on the Effective Date, at the contract non-default interest rate, with arrearages capitalized at the contract non-default interest rate, with payments of said arrearages in the same amount as the current payments of principal and interest, and with such payments on the arrearages added on to the end of the term of its note, thereby extending the term of its note by those monthly installment payments.
First Midwest Bank (Class 13) 4831 North Oketo, Harwood Heights, Illinois	approx. $98,481.49	Secured Claim paid over 84 months in equal installments with the first installment commencing on the Effective Date with an interest rate of 4.5% and a 25 year amortization. Balance due on the 7th anniversary of the Effective Date.
Deutsche Bank National Trust Company (Class 14) 5001 Pittsburgh, Norridge, Illinois	approx. $844,166.48	Secured Claim to be paid by virtue of surrender of property to Deutsche and GreenPoint; Deficiency Claim, if any, to be paid as a Non-Priority Unsecured Claim.

GreenPoint Mortgage Funding (Class 15) 5001 Pittsburgh, Norridge Illinois	approx. $162,337.87	Secured Claim to be paid by virtue of surrender of property to Deutsche and GreenPoint; Deficiency Claim, if any, to be paid as a Non-Priority Unsecured Claim.
BACM 2007-3 (Class 16) Somerset Apartments, 4127 West 127th St., Alsip, Illinois ("Somerset I") and Somerset Apartments, 3045 West 119th St., Merrionette Park, Illinois ("Somerset II")	approx. $17,125,123.23	Secured Claim paid over 84 months in equal installments with the first installment commencing on the Effective Date with an interest rate of 4.5% and a 25 year amortization. Balance due on the 7th anniversary of the Effective Date.
BACM 2006-5 (Class 17) Gardenview Apartments, 5345 North Clinton St., Fort Wayne, IN	approx. $4,220,792.87	Secured Claim paid over 84 months in equal installments with the first installment commencing on the Effective Date with an interest rate of 4.5% and a 25 year amortization. Balance due on the 7th anniversary of the Effective Date.
Arbor Realty, Sr, Inc. ("Arbor") (Class 18) membership interests of Midwestern in Indiana Equity Investments, LLC	approx. $1,828,945.84	Secured Claim, if any, paid over 84 months in equal installments with the first installment commencing on the Effective Date with an interest rate of 4.5% and a 25 year amortization. Balance due on the 7th anniversary of the Effective Date; Deficiency Claim, to be paid as a Non-Priority Unsecured Claim.
Will County, Illinois Treasurer (Class 19) 19001 Old LaGrange Rd., Mokena, Illinois	approx. $144,464.36	Secured Claims paid over 84 months in equal installments with the first installment commencing on the Effective Date with an interest rate of 4.5% and a 25 year amortization. Balance due on the 7th anniversary of the Effective Date.

Allen County, Indiana Treasurer (Class 20) Gardenview Apartments, 5345 N. Clinton St., Fort Wayne, IN	approx. $60,180.26	Secured Claims paid over 84 months in equal installments with the first installment commencing on the Effective Date with an interest rate of 4.5% and a 25 year amortization. Balance due on the 7th anniversary of the Effective Date.
Cook County, Illinois Treasurer (Class 21) Somerset I and Somerset II.	approx. $0.00	Secured Claims, if any, paid over 84 months in equal installments with the first installment commencing on the Effective Date with an interest rate of 4.5% and a 25 year amortization. Balance due on the 7th anniversary of the Effective Date.
Tenant Lease Claims (Class 22)	approx. $42,497.64	Claims, if any, to be paid in ordinary course of business pursuant to terms of leases.
Non-Priority Unsecured Claims (Class 23)	approx. $8,000,000.00	Claims to be paid pro-rata, in the total amount of $1,850,000.00 with the first installment commencing 30 days after the Effective Date in the amount of $100,000.00, and commencing 6 months after that payment, 15 equal semi-annual installments of $50,000.00 thereafter, with the balance due 6 months after the final installment.
Equity Security Interests (Class 24)		Holders of such interests will retain their interests.

INTRODUCTION

The Debtors filed their voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on the following dates ("Petition Dates"):

DEBTOR	CASE NUMBER	FILING DATE
Kenmore Realty Group, LLC	10-55868	12/20/11
Joseph Junkovic	10-55888	12/20/10
Tom Junkovic	10-55896	12/20/10
Maria Junkovic	10-55902	12/20/10
MFJT, LLC	11-11819	3/22/11
Mokena Corp.	11-11820	3/22/11
Garden Apts., LLC	11-19271	5/5/11
Midwestern Equities, LLC	11-19283	5/5/11

The Debtors have managed their financial affairs as Debtors-in-Possession pursuant to §§1101 and 1107 of the Bankruptcy Code since their respective Petition Dates. No trustee or examiner has been appointed to serve in these Chapter 11 cases, and no Official Committee of Unsecured Creditors has been appointed.

On September 30, 2011, the Debtors filed the Plan. The Debtors are the proponents of the Plan. The Plan provides for distributions to creditors with Allowed Claims from funds realized from the Debtors' continued operation of their real estate businesses after Confirmation.

SUMMARY OF TREATMENT OF CLAIMS UNDER THE PLAN

The Plan has one (1) category of Priority Administrative Claims, one (1) category of Priority Tax Claims, one (1) category of Non-Administrative Priority Claims, twenty-three (23) classes of creditors, and one (1) class of Equity Security Interest holders. The Claims and Equity Security Interests set forth in the Plan consist of the following:

Priority Administrative Claims

Priority Administrative Claims are unclassified and unimpaired under the Plan, arise under §507(a)(2) of the Bankruptcy Code, and primarily consist of Allowed Claims for fees and expenses of the professionals employed pursuant to Orders entered by the Bankruptcy Court. These fees and expenses are projected as follows:

Professional	Amount[2]
Crane, Heyman, Simon, Welch & Clar Debtors' Counsel ("CHSW&C")	$200,000.00
Gregg Szilagyi and the firm of Tailwind Services, LLC ("GS") Debtors' Consultant	$ 25,000.00
Sanford Kahn and the law firm of Sanford Kahn, Ltd. ("SK") MFJT's Special Counsel	$ 15,000.00
Theodore J. Schmidt and the law firm of Schmidt Salzman & Moran, Ltd. ("TJS") MFJT's Special Counsel	(paid from real estate tax savings)
TOTAL:	**$240,000.00**

The amounts projected to the professionals are in addition to amounts previously paid as retainers. The amounts previously paid to CHSW&C and GS are $311,039.00 and $25,500.00, respectively. Except as provided by prior Court Order, the professionals shall not be paid unless and until the Bankruptcy Court has entered appropriate Orders allowing the compensation and reimbursement of expenses requested by such professionals.

Also included in this category of Priority Administrative Claims are post-petition current expenses and statutory fees due to the United States Trustee. Under the Plan, post-petition current expenses will be paid in the ordinary course pursuant to the terms

[2] All of these amounts are merely estimates and are, therefore, subject to change.

existing at the time the claims were incurred. The statutory fees to the United States Trustee will be paid when such come due until the entry of a final decree.

Other than statutory fees to the United States Trustee, and except as described above, all Priority Administrative Claims will be paid in full on the Effective Date or as otherwise agreed. The source of payment of such Priority Administrative Claims will be from funds realized from the Debtors' real estate businesses.

Priority Tax Claims

These Claims are unclassified and unimpaired under the Plan. The Debtors will pay such Claims, if any, whether secured or unsecured, in equal monthly installments of principal and interest, with the first installment due on the Effective Date, with interest at the rate of 4.5%, and with the final installment due no later than the fifth anniversary of the Petition Dates for Kenmore, Joseph, Tom and Maria, in conformance with §1129(a)(9)(C) of the Bankruptcy Code. Holders of Allowed Priority Tax Claims arise pursuant to §507(a)(8) of the Bankruptcy Code. The Debtors believe that such asserted Claims are in the approximate sums of $20,871.22 in favor of the Internal Revenue Service, and $7,483.19 in favor of the Illinois Department of Revenue. To the extent that such a Claim is secured by Liens on the Debtors' property, those Liens will be retained by the claimant until that claimant's Secured Claim is paid in full as provided in the Plan. The source of payment of Allowed Priority Tax Claims will be from funds realized from the Debtors' real estate businesses.

Priority Non-Administrative Claims

These Claims are unclassified and unimpaired under the Plan. The Debtors will pay such Claims, if any, on the Effective Date unless otherwise agreed. Holders of Allowed Priority Non-Administrative Claims arise pursuant to §507(a)(1),(3-7),(9-10) of the Bankruptcy Code. The Debtors believe that there is one Claim asserted in this category, in the approximate amount of $789.00.

To the extent that additional holders of Priority Non-Administrative Claims shall emerge in the Debtors' Chapter 11 cases, they shall be paid in full in cash on the Effective Date, except to the extent that said holders agree to a later date of payment. The source of payment of any Priority Non-Administrative Claims will be from funds realized from the Debtors' real estate businesses.

<u>Class 1 Claim:</u>

______Chase Home Finance, LLC ("Chase"), the holder of the Class 1 Secured Claim pursuant to a note with a balance of approximately $432,343.00, secured by a first mortgage on Joseph's principal residence, a condominium commonly known as 30 E. Huron, Unit 5207, Chicago, Illinois, will retain its Lien on the property, and will receive current principal and interest payments on the Secured Claim to be paid pursuant to the terms of its note, beginning on the Effective Date, at the contract non-default interest rate, with arrearages capitalized at the contract non-default interest rate, with payments of said arrearages in the same amount as the current payments of principal and interest, and with such payments on the arrearages added on to the end of the term of its note, thereby extending the term of its note by those monthly installment payments. Chase's Class 1 Secured Claim is impaired under the Plan. The source of payment of the Allowed Class 1 Secured Claim will be from funds realized from the Debtors' real estate businesses.

<u>Class 2 Claim:</u>

Community First Bank ("Community"), the holder of the Class 2 Secured Claim pursuant to a note with a balance of approximately $600,000.00, secured by a vacant lot, commonly known as 1218 West Morse, Chicago, Illinois, in which Joseph holds a 51% interest, will retain its Lien on the property, and will be paid pursuant to the terms of its note. Community's Class 2 Secured Claim is unimpaired under the Plan. The source of payment of the Allowed Class 2 Secured Claim will be from salary earned by Joseph from his real estate businesses.

Class 3 Claim:

First Midwest Bank, N.A. ("First Midwest"), the holder of the Class 3 Secured Claim pursuant to a note with a balance of approximately $319,199.06, secured by a first mortgage on the real estate commonly known as 3869 North Ottawa, Chicago, Illinois, owned by Joseph, consisting of a single family residence, will retain its Lien on the property and will be paid by virtue of surrender of said property to First Midwest. Its Deficiency Claim, if any, will be paid as a Non-Priority Unsecured Claim. First Midwest's Class 3 Secured Claim is unimpaired under the Plan.

Class 4 Claim:

Wells Fargo Home Mortgage ("Wells Fargo"), the holder of the Class 4 Secured Claim pursuant to a note with a balance of approximately $324,132.25, secured by a first mortgage on a condominium owned by Joseph, commonly known as 222 North Columbus, Unit 1304, Chicago, Illinois, will retain its Lien on the property, and will be paid by virtue of surrender of said property to Wells Fargo and the Condo Association. Its Deficiency Claim, if any, will be paid as a Non-Priority Unsecured Claim. Wells Fargo's Class 4 Secured Claim is unimpaired under the Plan.

Class 5 Claim:

222 North Columbus Condominium Association ("Condo Association"), the holder of the Class 5 Secured Claim pursuant to statute, with a balance of approximately $12,000.00, secured by a Lien on a condominium owned by Joseph, commonly known as 222 North Columbus, Unit 1304, Chicago, Illinois, will retain its Lien on the property, and will be paid by virtue of surrender of said property to Wells Fargo and the Condo Association. Its Deficiency Claim, if any, will be paid as a Non-Priority Unsecured Claim. The Condo Association's Class 5 Secured Claim is unimpaired under the Plan.

Class 6 Claim:

Harris Bank ("Harris"), the holder of the Class 6 Secured Claim pursuant to a note with a balance of approximately $4,753,645.59, secured by a first mortgage on a commercial office building owned by Mokena, located at 19001 Old LaGrange Road, Mokena, Illinois ("Mokena Property"), will retain its Lien on the property, and will be paid over 84 months in equal monthly installments, with the first installment commencing on the Effective Date, with interest calculated at the rate of 4.5%, and principal reduction based upon a 25 year amortization, with the balance due on the seventh anniversary of the Effective Date. Harris' Class 6 Secured Claim is impaired under the Plan. The source of payment of the Allowed Class 6 Secured Claim will be from funds realized from the Debtors' real estate businesses and from the eventual refinancing of the property.

Class 7 Claim:

Carmel Real Estate, LLC ("Carmel"), the holder of the Class 7 Secured Claim pursuant to a note with a balance of approximately $428,500.00, secured by a second mortgage on the Mokena Property, will retain its Lien on the property. Carmel's

Secured Claim will be paid over 84 months in equal installments of interest only, with the first installment commencing on the Effective Date with an interest rate of 4.5% and the principal balance due on the 7th anniversary of the Effective Date. In the alternative, the claimant may accept the sum of $100,000 in cash on the Effective Date in full satisfaction of its Secured Claim. Carmel's Class 7 Secured Claim is impaired under the Plan. The source of payment of the Allowed Class 7 Secured Claim will be from funds realized from the Debtors' real estate businesses and from the eventual refinancing of the property.

Class 8 Claim:

Harris, the holder of the Class 8 Secured Claim pursuant to a note with a balance of approximately $7,971,476.71, secured by a first mortgage on a residential apartment complex owned by Joseph, Tom, Maria, and Kenmore, commonly known as College Square Apartments, located at 808 Ridge Road, DeKalb, Illinois ("College Square"), will retain its Lien on the property, and will be paid from proceeds of the liquidation of its collateral, with its Deficiency Claim, if any, to be paid as a Non-Priority Unsecured Claim. Harris' Class 8 Secured Claim is unimpaired under the Plan.

Class 9 Claim:

Certified Window Company ("Certified") and Raincoat Roofing ("Raincoat"), the holders of the Class 9 Secured Claims, with balances of approximately $67,500.00, and $3,500.00, respectively, purportedly secured by mechanic's liens on College Square, will retain their Liens, if any, on the property, and will be paid from proceeds of the liquidation of their collateral, with their Deficiency Claims, if any, to be paid as Non-Priority Unsecured Claims. Class 9 Secured Claims are unimpaired under the Plan.

<u>Class 10 Claim</u>:

Wheaton Bank and Trust Company ("Wheaton Bank"), the holder of the Class 10 Secured Claim pursuant to a note with a balance of approximately $1,050,056.12, secured by a first mortgage on Tom's principal residence, a single family residence commonly known as 423 Engel, Park Ridge, Illinois, will retain its Lien on the property. Pursuant to a settlement, the approval of which is pending in the Bankruptcy Court,, Tom and his family shall occupy the premises for either one year or for sixty days after Wheaton Bank obtains a buyer for the premises, whichever occurs sooner. No payments will be made to Wheaton Bank, and Wheaton Bank and Tom shall exchange complete releases. Wheaton Bank's Class 10 Secured Claim is impaired under the Plan.

<u>Class 11 Claim</u>:

VW Credit Inc. ("VW"), the holder of the Class 11 Secured Claim pursuant to a note with a balance of approximately $8,000.00, secured by a Lien on a 2010 Volkswagon Jetta, owned by Tom, will retain its Lien on the vehicle, and will continue to receive current payments pursuant to the terms of its note. VW's Class 11 Secured Claim is unimpaired under the Plan. The source of payment of the Allowed Class 11 Secured Claim will be from salary earned by Tom from his real estate businesses.

<u>Class 12 Claim</u>:

CitiMortgage, the holder of the Class 12 Secured Claim pursuant to a note with a balance of approximately $256,138.26, secured by a first mortgage on Maria's principal residence, a single family residence commonly known as 4831 North Oketo, Harwood Heights, Illinois ("Maria's Residnece"), will retain its Lien on the property, and will receive current principal and interest payments on the Secured Claim to be paid pursuant to the terms of its note, beginning on the Effective Date, at the contract non-default interest rate, with arrearages capitalized at the contract non-default interest rate, with payments of said arrearages in the same amount as the current payments of principal and interest, and with such payments on the arrearages added on to the end of the term of its note, thereby extending the term of its note by those monthly installment payments. CitiMortgage's Class 12 Secured Claim is impaired under the Plan. The source of payment of the Allowed Class 12 Secured Claim will be from salary earned by Maria from her real estate businesses.

Class 13 Claim:

First Midwest, the holder of the Class 13 Secured Claim pursuant to a note with a balance of approximately $98,481.49, secured by a second mortgage on Maria's Residence, will retain its Lien on the property, and will be paid over 84 months in equal monthly installments, with the first installment commencing on the Effective Date, with interest calculated at the rate of 4.5%, and principal reduction based upon a 25 year amortization, with the balance due on the seventh anniversary of the Effective Date. First Midwest's Class 13 Secured Claim is impaired under the Plan. The source of payment of the Allowed Class 13 Secured Claim will be from salary earned by Maria from her real estate businesses.

Class 14 Claim:

Deutsche Bank National Trust Company ("Deutsche"), the holder of the Class 14 Secured Claim pursuant to a note with a balance of approximately $844,166.48 secured by a first mortgage on a single family residence located at 5001 Pittsburgh, Norridge Illinois, owned by Maria ("5001 Property"), will be paid by virtue of the surrender of the property to Deutsche and GreenPoint. Deutsche's Deficiency Claim, if any, to be paid as a Non-Priority Unsecured Claim. Deutsche's Class 14 Secured Claim is unimpaired under the Plan.

<u>Class 15 Claim</u>:

GreenPoint Mortgage Funding, LLC ("GreenPoint") the holder of the Class 15 Secured Claim pursuant to a note with a balance of approximately $162,337.87, secured by a second mortgage on the 5001 Property will be paid by virtue of the surrender of the property to Deutsche and GreenPoint. GreenPoint's Deficiency Claim, if any, is to be paid as a Non-Priority Unsecured Claim. GreenPoint's Class 15 Secured Claim is unimpaired under the Plan.

<u>Class 16 Claim</u>:

BACM 2007-3 Alsip Complex, LLC ("BACM 2007-3"), the holder of the Class 16 Secured Claim pursuant to a note with a balance of approximately $17,125,123.23, secured by a first mortgage on Somerset I and Somerset II, owned by MFJT, will retain its Liens on the properties, and will be paid over 84 months in equal monthly installments, with the first installment commencing on the Effective Date, with interest calculated at the rate of 4.5%, and principal reduction based upon a 25 year amortization, with the balance due on the seventh anniversary of the Effective Date. BACM 2007-3's Class 16 Secured Claim is impaired under the Plan. The source of payment of the Allowed Class 16 Secured Claim will be from funds realized from the Debtors' real estate businesses and the eventual refinancing of Somerset I and Somerset II.

<u>Class 17 Claim</u>:

BACM 2006-5 North Clinton, LLC ("BACM 2006-5"), the holder of the Class 17 Secured Claim pursuant to a note with a balance of approximately $4,220,792.87, secured by a first mortgage on the apartment complex commonly known as Gardenview Apartments, 5345 North Clinton St., Fort Wayne, Indiana, owned by Garden Apts. ("Gardenview"), will retain its Liens on the property, and will be paid over 84 months in equal monthly installments, with the first installment commencing on the Effective Date, with interest calculated at the rate of 4.5%, and principal reduction based upon a 25 year amortization, with the balance due on the seventh anniversary of the Effective Date. BACM 2006-5's Class 17 Secured Claim is impaired under the Plan. The source of payment of the Allowed Class 17 Secured Claim will be from funds realized from the Debtors' real estate businesses and the eventual refinancing of Gardenview.

<u>Class 18 Claim</u>:

Arbor, the holder of the Class 18 Secured Claim, pursuant to a note with a balance of approximately $1,828,945.84, secured by a Lien on the membership interests of Indiana Equity Investments, LLC[3], owned by Midwestern, will retain its Lien on the property and will be paid, to the extent of the value of its Lien, estimated by the Debtor to have a value of $0.00, over 84 months in equal installments with the first installment commencing on the Effective Date with an interest rate of 4.5% and a 25 year amortization, with the balance due on the seventh anniversary of the Effective Date. Arbor's Class 18 Secured Claim, if any, is impaired under the Plan. The source of payment of the Allowed Class 18 Secured Claim will be from funds realized from the Debtors' real estate businesses. Arbor's Deficiency Claim, will be paid as a Non-Priority

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[3]Indiana Equity Investments, LLC ("Indiana Equity") is an entity that is also controlled by the Junkovics and which filed its own separate Chapter 11 case which is also pending in the Bankruptcy Court under case number 11-19277. Indiana Equity has filed a separate Plan of Liquidation and supporting Disclosure Statement.

Unsecured Claim. The Debtor asserts that Arbor's entire indebtedness is a Non-Priority Unsecured Claim.

Class 19 Claim:

The Will County, Illinois Treasurer ("WC Treasurer"), the holder of the Class 19 Secured Claim pursuant to a Lien arising under statute, for unpaid real estate taxes, on the Mokena Property, estimated by the Debtor to be in the approximate amount of $144,464.36, will retain its Lien on the property, and will be paid over 84 months in equal monthly installments, with the first installment commencing on the Effective Date, with interest calculated at the rate of 4.5%, and principal reduction based upon a 25 year amortization, with the balance due on the seventh anniversary of the Effective Date. WC Treasurer's Class 19 Secured Claim is impaired under the Plan. The source of payment of the Allowed Class 19 Secured Claim will be from funds realized from the Debtors' real estate businesses and the eventual refinancing of the Mokena Property.

Class 20 Claim:

The Allen County, Indiana Treasurer ("AC Treasurer"), the holder of the Class 20 Secured Claim pursuant to a Lien arising under statute, for unpaid real estate taxes, on Gardenview, estimated by the Debtor to be in the approximate amount of $60,180.26, will retain its Lien on the property, and will be paid over 84 months in equal monthly installments, with the first installment commencing on the Effective Date, with interest calculated at the rate of 4.5%, and principal reduction based upon a 25 year amortization, with the balance due on the seventh anniversary of the Effective Date. WC Treasurer's Class 20 Secured Claim is impaired under the Plan. The source of payment of the Allowed Class 20 Secured Claim will be from funds realized from the Debtors' real estate businesses and the eventual refinancing of Gardenview.

<u>Class 21 Claim</u>:

The Cook County, Illinois Treasurer ("CC Treasurer"), the holder of the Class 21 Secured Claim pursuant to Liens arising under statute, for unpaid real estate taxes, if any, on Somerset I and Somerset II, estimated by the Debtor to be in the amount of $0.00, will retain its Liens on the properties, if any, and to the extent that such a Claim exists, will be paid over 84 months in equal monthly installments, with the first installment commencing on the Effective Date, with interest calculated at the rate of 4.5%, and principal reduction based upon a 25 year amortization, with the balance due on the seventh anniversary of the Effective Date. CC Treasurer's Class 21 Secured Claim, if any, is impaired under the Plan. The source of payment of the Allowed Class 21 Secured Claim will be from funds realized from the Debtors' real estate businesses and the eventual refinancing of Somerset I and Somerset II.

<u>Class 22 Claims</u>:

Tenants under existing real estate leases with the Debtors are the holders of the Class 22 Claims. Such Claims arise in the event of expiring leases where the tenants are entitled to the return of their security deposits. To the extent that such Claims exist, they will be paid pursuant to the terms of the respective leases. Class 22 Claims, if any, are unimpaired under the Plan. The following chart identifies the approximate extent of Allowed Class 22 Claims:

<u>DEBTOR</u>	**<u>AMOUNT OF SECURITY DEPOSITS FROM TENANTS</u>**
Mokena	$18,325.64
MFJT	$16,777.00
Garden	$7,395.00
Total:	**$42,497.64**

All of the security deposits from tenants are on deposit in accounts of the respective Debtors and will be refunded to tenants, if and when, the underlying lease requires such refunds.

Class 23 Claims:

Holders of Class 23 Non-Priority Unsecured Claims, currently estimated by the Debtors at approximately $8,000,000.00, will be paid pro-rata, in the total amount of $1,850,000.00, with the first installment due thirty days after the Effective Date in the amount of $100,000.00, and commencing six months after that payment, fifteen equal semi-annual installments of $50,000.00 thereafter, with the balance of $1,000,000.00 due six months after the final installment. Class 23 Non-Priority Unsecured Claims are impaired under the Plan. The source of payment of the Allowed Class 23 Non-Priority Unsecured Claims will be from funds realized from the Debtors' real estate businesses and the eventual refinancing of the Debtors' various properties.

Class 24 Equity Security Interests

Holders of Class 24 Equity Security Interests, Maria, Joseph and Tom, shall retain their interests in the Corporate Debtors. No distributions shall be made on account of these Equity Security Interests unless and until all payments under the Plan have been made. Class 24 Equity Security Interests are unimpaired under the Plan.

APPLICATION OF ADEQUATE PROTECTION PAYMENTS

The actual allowed amounts of the Secured Claims of Classes 6 and 17 ("Lenders") may be adjusted pursuant to further Order of the Bankruptcy Court to account for post-petition payments made by the respective Debtors pursuant to Section 362(d)(3) of the Bankruptcy Code ("Adequate Protection Payments").

Under the Plan, Adequate Protection Payments received by each Lender during the course of these Chapter 11 cases shall be applied in the following priority:

1. Payment of interest due to the Lender on the principal indebtedness due at the non-default interest rate provided for in its loan documents;

2. Payment of any pre-petition unpaid arrearage due to the Lender under its loan documents;

3. Payment of the Lender's professional fees and costs to the extent allowable under its loan documents, and approved by the Court;[4] and,

4. Payment of the balance, if any, to reduce the principal balance due on the Lender's Claim.

CLAIMS OBJECTIONS

The Debtors have not yet filed objections to Claims. No distributions will be made to claimants whose Claims are the subject of objections until resolution of the objections. Under the Plan, objections to Claims are to be filed within 120 days of the Effective Date, unless such date is extended by Order of the Bankruptcy Court.

PURPOSE OF DISCLOSURE STATEMENT

This Disclosure Statement is provided to all of the known holders of Claims against the Debtors who are entitled to vote their acceptance or rejection of the Plan. This Disclosure Statement is disseminated in connection with the solicitation of acceptances of the Plan filed by the Debtors. The purpose of this Disclosure Statement is to provide such information as would enable a hypothetical, reasonable investor, typical of the holder of Claims which are impaired under the Plan, to make an informed judgment about the Plan.

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[4]The reasonable fees and expenses of each Lender's attorneys and other professionals to the extent allowed under the respective loan documents may be considered additional Claims of each Lender.

The information contained in this Disclosure Statement has been submitted by the Debtors unless specifically stated to be from other sources. No representations concerning the Debtors or this Plan, other than those set forth in this Disclosure Statement, have been authorized by the Debtors.

The Debtors believe that all of the information contained in this Disclosure Statement is accurate. However, the Debtors are unable to warrant that there are no inaccuracies.

Under the Bankruptcy Code, a Class of Claims is considered to have accepted the Plan if both a majority in number and two-thirds (2/3) of the dollar amount of those actually voting vote to accept the Plan. The Claims of those who do not vote are not counted in determining whether the requisite statutory majority in number and dollar amount have voted for acceptance. Acceptance by the statutory majority will bind the minority who dissent and those who fail to vote.

The Plan requires that the holders of Allowed Claims in Classes 1, 6, 7, 10, 12, 13, 16, 17, 18, 19, 20, 21 and 23 vote on Confirmation of the Plan. Ballots and objections to confirmation of the Plan must be filed with the Clerk of the United States Bankruptcy Court, Dirksen Federal Building, 219 South Dearborn, Chicago, IL 60604. The Bankruptcy Court will thereafter conduct a hearing on confirmation of the Plan pursuant to Section 1129 of the Bankruptcy Code.

HISTORY AND BACKGROUND

The following is intended as a brief history of relevant pre-petition background for each of the Debtors. All but one of the Debtors are primarily involved in the ownership and management of various multi-family apartment complexes. Mokena, one of the Debtors, owns and manages a commercial office building. These Chapter 11 cases were commenced in response to the general economic problems facing this country over the last several years (particularly in real estate) and the multitude of issues arising therefrom. By filing these Chapter 11 cases, the Debtors have been provided with an opportunity to reorganize, restructure and, in some cases, dispose of the various properties owned by the Debtors while staying several foreclosures and other collection efforts of certain creditors.

MFJT, LLC

MFJT is an Illinois limited liability company that is the owner and operator of two (2) separate multi-family residential apartment projects located at 4127 West 127th Street, Alsip, Illinois (commonly known as Somerset I) and at 3048 West 119th Street, Merrionette Park, Illinois (commonly known as Somerset II). MFJT was formed for the purpose of acquiring and owning Somerset I and Somerset II. MFJT's members are Maria, Joseph and Tom (the "Junkovics"). MFJT's manager is Joseph Junkovic.

MFJT acquired Somerset I in January 2002 for approximately $9,200,000.00. MFJT acquired Somerset II in August 2004 for approximately $3,300,000.00. In March 2011, due to MFJT's failure to make mortgage payments, a foreclosure action was filed against MFJT with respect to Somerset I and Somerset II in the Circuit Court of Cook County, Illinois.

Somerset I is comprised of 240 apartment units (one and two bedroom units) located in ten (10) buildings with monthly rents that approximately range between $750.00 per month to $929.00 per month. In addition, Somerset I has an office, clubhouse and swimming pool. The current occupancy rate at Somerset I is approximately 95%.

Somerset II is comprised of 72 apartment units (one and two bedroom units) located in six (6) buildings with monthly rents that approximately range between

$750.00 per month and $950.00 per month. The current occupancy rate at Somerset II is approximately 91.6%.

Garden Apts, LLC

______Garden is an Indiana limited liability company that is the owner and operator of a multi-family residential apartment project located at 5345 North Clinton Street, Fort Wayne, Indiana. This apartment complex is commonly known as Gardenview Apartments. The Debtor was formed for the purpose of acquiring and owning Gardenview Apartments. Garden's members are the Junkovics. Garden's manager is Joseph Junkovic. Garden acquired Gardenview Apartments in August 2006 for approximately $5,500,000.00.

Gardenview Apartments is comprised of 155 apartment units located in twenty-one (21) buildings with monthly rents that approximately range between $489.00 per month to $650.00 per month. In addition, Gardenview Apartments has an office, clubhouse and swimming pool. The current occupancy rate at Gardenview Apartments is approximately 85.26%.

Mokena Corp.

Mokena is an Illinois corporation that is the owner and operator of a four (4) story office building located at 19001 Old LaGrange Road, Mokena, Illinois ("Mokena Property"). The officers, directors and shareholders of Mokena are the Junkovics. Garden was formed for the purpose of acquiring and owning the Mokena Property. The Mokena Property was acquired by Mokena in 2006 for approximately $6,600,000.00.

The Mokena Property is comprised of 43,000 square feet of office and common area space. The Mokena Property is fully occupied with two (2) tenants; namely, Ozinga Ready Mix Concrete, Inc., and Heart Care Centers of South Chicago, Ltd. In February 2011, due to Mokena's failure to make mortgage payments, a foreclosure action was filed against Mokena with respect to the Mokena Property. In conjunction with the foreclosure shortly before the filing of Mokena's Chapter 11 case, the mortgage lender froze funds on deposit in Mokena's bank account in the approximate amount of $105,000.00. These funds were never applied by the lender to the mortgage indebtedness and will be available to the Debtor under the Plan.

Kenmore Realty Group, LLC

______Kenmore is an Illinois limited liability company that is a co-owner of a multi-family residential apartment complex located in DeKalb, Illinois that is commonly known as College Square Apartments ("College Square"). Kenmore was formed for the purpose of acquiring and owning College Square. Kenmore's members are the Junkovics, who are the other co-owners of College Square. College Square was acquired in December 2002 for approximately $6,300,000.00.

College Square is comprised of 163 apartment units that primarily serve as off-campus rental housing for students at Northern Illinois University. Prior to the filing of its Chapter 11 case, the mortgage lender commenced a mortgage foreclosure action against Kenmore, the Junkovics and College Square in the Circuit Court of DeKalb County, Illinois. In conjunction with this foreclosure, a receiver was appointed to take possession and control of College Square.

The Junkovics

The Junkovics are owners and co-owners of several parcels of real estate as well as owners and co-owners of several companies that own real estate. Most of the real estate holdings of the Junkovics are encompassed in the related Chapter 11 cases. The Junkovics' entire business interests and financial livelihood are attached to these real estate holdings. The general economic downturn in the real estate sector has had a dramatic negative impact upon the Junkovics. The related Chapter 11 cases constitute the Junkovics' effort to reorganize their financial affairs while protecting the real estate holdings from foreclosure.

Midwestern Equities, LLC.

Midwestern is an Illinois limited liability company that was formed for the purpose of owning the membership interests in Indiana Equity Investments, LLC ("Indiana Equity"), another entity related to the Junkovics that also filed a Chapter 11 case that is pending in the Bankruptcy Court under case number 11-19283.[5] Midwestern's members are the Junkovics. Midwestern's manager is Joseph Junkovic.

In order to facilitate the acquisition of Brendonwood Apartments and Autumnwoods Apartments by Indiana Equity, Midwestern entered into a mezzanine loan with Arbor for the original principal amount of approximately $3,900,000.00. The collateral for the mezzanine loan is Midwestern's membership interests in Indiana Equity. All of the payments to Arbor on account of the mezzanine loan to Midwestern were made from funds of Indiana Equity.

POST-PETITION ACTIVITIES

The continued administration of these Chapter 11 cases has been primarily predicated upon the entry of a series of Cash Collateral Orders entered by the Bankruptcy Court. These Cash Collateral Orders established the framework for the continued operation of the Debtors' businesses and the terms under which the Debtors could use the cash and cash equivalents that serve as collateral to the various secured creditors in these Chapter 11 cases. Certain secured creditors objected to the use of cash collateral which required an extensive expenditure of professional services to defend. In each instance, either the objections were resolved by agreement of the parties or the secured creditors' objections were overruled.

[5] Indiana Equity is not a co-proponent of this Plan. Rather, Indiana Equity has separately filed a Plan of Liquidation and supporting Disclosure Statement.

From the inception of these Chapter 11 cases, the Debtors announced that their intent was to seek a substantive consolidation of all or some of the several bankruptcy estates. The Debtors have analyzed the aspects of substantive consolidation and concluded that the substantive consolidation proposed in this Plan is the most efficient and economical manner in which to implement a Chapter 11 exit strategy. In proposing the Plan, the Debtors have decided to exclude the related Chapter 11 case of Indiana Equity from the Plan and the substantive consolidation.

Other significant events have occurred in these Chapter 11 cases. For instance, in the MFJT case, the mortgage lender filed pleadings asserting that MFJT's Chapter 11 case should be treated as a "single asset" real estate case. MFJT opposed the mortgage lender's argument. After full briefing and a hearing, the Bankruptcy Court made its determination that the MFJT case would not proceed as a "single asset" real estate case.

Conversely, in the Garden case, when presented with the mortgage lender's arguments establishing that the Garden Chapter 11 case was a "single asset" real estate case, the Debtor consented to the entry of an Order determining that the "single asset" provisions of the Bankruptcy Code would apply in the Garden Chapter 11 case. As a result of this determination, Garden has been making monthly contractual interest payments to the mortgage lender in the amount of $21,172.00 since August, 2011. These monthly interest payments are being calculated at the non-default contract interest rate of 6.122% against an agreed valuation of $4,150,000.00.

Similarly, the Mokena case is also a "single asset" real estate case. As a result, Mokena has been making monthly contractual interest payments to the mortgage lender in the amount of $26,864.47 since June, 2011. These monthly payments are being paid pursuant to the terms of a Final Cash Collateral Order entered by the Bankruptcy Court.

With respect to College Square, the Junkovics and the mortgage lender entered into an agreement permitting the State Court Receiver to remain in possession and control of College Square despite the filing of the Chapter 11 cases by the Junkovics and Kenmore. This agreement, which was approved by the Bankruptcy Court, enabled the Debtors to avoid costly litigation with the mortgage lender with respect to turnover of College Square from the Receiver pending the sale of College Square.

The Junkovics next pursued the auction sale of College Square. The Bankruptcy Court approved auction sale procedures relating to College Square. After notice to all creditors and public advertisement, an auction of College Square was conducted on September 19, 2011. The successful bidder at the auction of College Square was Granite Realty Investments, Inc. (“Granite”) for the all cash sum of $5,650,000.00. The College Square sale was free and clear with all liens, claims and encumbrances attaching to the proceeds of sale. The closing of the sale of College Square is scheduled for October 2011.

In the Chapter 11 case of Tom Junkovic, an agreement has been reached with Wheaton Bank, the primary mortgage lender on his principal residence located at 423 Engel, Park Ridge, Illinois (“Engel Property”). Under this proposed agreement, which has not yet been approved by the Bankruptcy Court, Wheaton Bank shall receive a deed in lieu of foreclosure with respect to the Engel Property and the parties shall waive any and all claims against each other. Tom Junkovic and his family shall be entitled to occupy the Engel Property without paying rent or mortgage payments for as long as September 2012. This settlement with Wheaton Bank is incorporated in the Plan.

The Debtors’ focus has always been on formulating and implementing an exit strategy from these Chapter 11 cases that would provide a reasonable mechanism for creditors to be paid. The Debtors’ positive performance during these Chapter 11 cases indicates that the proposed exit strategy set forth in the Plan is not only reasonable but is also feasible.

SUBSTANTIVE CONSOLIDATION AND INTERCOMPANY CLAIMS

The Plan is premised upon substantive consolidation of the Debtors for all purposes related to the Plan, including for purposes of voting, confirmation, distribution to creditors, and administration. On the Effective Date: (a) for Plan purposes only, all assets and liabilities of all Debtors shall be treated as though they were merged into one entity; (b) no distributions shall be made under the Plan on account of Intercompany Claims among the Debtors; (c) no distributions shall be made under the Plan on account of Equity Security Interests in the Debtors; (d) all guaranties of the Debtors of the obligations of any other Debtor shall be deemed eliminated so that any Claim against any Debtor and any obligation or guaranty thereof executed by any other Debtor and any joint or several liability of any of the Debtors shall be deemed one obligation of the Debtors; and (e) each Claim filed in the Chapter 11 cases of any of the Debtors shall be deemed filed against all of the Debtors, and shall be deemed one obligation of the Debtors. Notwithstanding the foregoing, such substantive consolidation shall not (other than for purposes related to the Plan) affect (a) the current legal and corporate structures of the Debtors, subject to the right of the Debtors to affect such transactions as provided in the Plan, and (b) Equity Security Interests owned by any of the Debtors in any other Debtor. On the Effective Date, Intercompany Claims shall be discharged and satisfied.

BACM 2007-3 and BACM 2006-5, secured creditors of MFJT and Garden, respectively, contend that there is no basis for substantive consolidation. BACM 2007-3 and BACM 2006-5 assert that substantive consolidation is unwarranted because there is no substantial identity among the Debtors and because substantive consolidation will not be beneficial to creditors. BACM 2007-3 and BACM 2006-5 further contend that substantive consolidation may be harmful to some creditors. For example, BACM 2007-3 and BACM 2006-5 assert that, since intercompany claims will be waived through substantive consolidation, certain bankruptcy estates could be deprived of the value of such claims. Finally, BACM 2007-3 and BACM 2006-5 contend that the cash collateral of certain secured lenders may be used to pay the administrative costs of Debtors not entitled to the use of such funds in the absence of substantive consolidation.

These points are merely the contentions of BACM 2007-3 and BACM 2006-5. The Debtors dispute these contentions. In the event that BACM 2007-3 and BACM 2006-5 object to substantive consolidation, the Bankruptcy Court will hear evidence concerning whether substantive consolidation is appropriate under the relevant facts and circumstances of these Chapter 11 cases and render its decision with respect to substantive consolidation.

CONTINUED CORPORATE EXISTENCE AND REVESTING OF ASSETS

Except as otherwise provided herein, each Debtor will continue to exist after the Effective Date as a separate entity, corporate or otherwise, with all the powers provided to such entity under applicable law and without prejudice to any right to alter or terminate such existence (whether by merger, dissolution or otherwise) under applicable state law. Except as otherwise provided in the Plan, the property of the Debtors' Estates shall (i) revest in the Debtors on the Effective Date; and (ii) be revested free and clear of all liens, and security interests. Except as otherwise provided in the Plan, from and after the Effective Date, each Debtor may operate its business and may use, acquire, and dispose of property, and compromise or settle any Claims and Equity Security Interests without supervision or approval of the Bankruptcy Court, and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or the Confirmation Order.

OTHER ASPECTS OF THE PLAN

Joseph Junkovic will assume the of role of disbursing agent under the Plan. Payments to creditors pursuant to the Plan will be made from funds realized from the Debtors' real estate, with balloon payments as provided in the Plan to be paid from refinancing or sale of that real estate.

Upon Confirmation, an injunction under §524 of the Bankruptcy Code shall arise to prevent any party from foreclosing its Lien or Security Interest or otherwise enforcing its Claims against the Debtors and their assets in these bankruptcy cases except as authorized in the Plan. This injunction will remain in effect until all distributions under the Plan have been made.

The Plan is self executing. The Debtors shall not be required to execute any newly created documents to effectuate the terms of the Plan. Upon payment of the amounts as required by the Plan, any Liens and Security Interests supporting such Claims shall be deemed released and discharged. All executory contracts and unexpired leases which exist between the Debtors and any other party, whether such executory contracts are in writing, or oral, which have not been previously assumed, assigned, rejected, or otherwise terminated by the Debtors shall be deemed assumed. Any and all Claims asserted by any party arising from the rejection of executory contracts and unexpired leases pursuant to the Plan must be filed on or within thirty (30) days following Confirmation of the Plan, unless a prior order of the Bankruptcy Court establishes a different date for the filing of such Claims. Further, with respect to Claims for defaults relating to any unexpired lease or executory contract that is assumed pursuant to the Plan, any and all such Claims must also be filed on or within thirty (30) days following the assumption. Allowed Claims emanating from the rejection of unexpired leases and executory contracts will be treated as Class 23 Claims. Allowed Claims for defaults emanating from the assumption of unexpired leases and executory contracts shall be treated as Administrative Claims. Any person failing to file such a Claim within the time provided in the Plan may be barred from asserting such Claim and may not receive any distribution under the Plan. The provisions for assumption, assignment and rejection shall be equally applicable to executory contracts and unexpired leases of real and personal property.

The Bankruptcy Court shall retain jurisdiction for certain specified purposes. Any distribution under the Plan that remains unclaimed thirty (30) days after the distribution is made will become property of the Debtors, and will not be recouped in subsequent distributions.

The Debtors will have the right to make any distribution to creditors earlier than required by the Plan without penalty or prepayment premium. The Debtors shall have the right, power and authority after Confirmation of the Plan to commence any preference, fraudulent conveyance or other litigation they deem appropriate. Any funds realized from such Claims and retained causes of action may be used to make the payments under the Plan. The Bankruptcy Court shall retain jurisdiction for such litigation. The Debtors do not believe that any preference or fraudulent conveyance claims exist.

The provisions of the Plan shall bind all creditors and parties in interest. Except as expressly provided in the Plan, no interest or penalties shall accrue or be paid to any creditor. In the event that all applicable requirements of §1129(a) of the Bankruptcy Code, other than in §1129(a)(8) are met, the Debtors reserve the right, pursuant to §1129(b) of the Bankruptcy Code, to request that the Bankruptcy Court conduct a hearing on Confirmation of the Plan.

Finally, upon Confirmation, the freeze on the funds on deposit in Mokena's bank account at Harris shall be deemed dissolved and the Debtors shall be entitled to use such funds in the operation of their businesses or to make payments required under the Plan.

LIQUIDATION ANALYSIS

Failure of the Debtors to obtain Confirmation of the Plan could result in a forced liquidation or conversion to cases under Chapter 7 of the Bankruptcy Code and immediate termination of the Debtors' business operations. Under the Plan, creditors are receiving more than such creditors would receive in a liquidation. With respect to the mortgage lenders, these Secured Creditors are either being paid the allowed amount of their Claims plus a market rate of interest or the Debtor is surrendering properties that serve as collateral to such Secured Creditors in full satisfaction of their Allowed Secured Claims. The Debtor estimates the values of the properties to be retained under the Plan as follows:

Debtor	Property	Value	Mortgage Debt
MFJT, LLC	Somerset I and Somerset II ("Somerset")	$19,000,000.00	$17,125,123.23
Garden Apts.	Gardenview Apts. ("Gardenview")	$4,800,000.00	$4,220,792.87
Mokena Corp.	19001 Old LaGrange Rd., Mokena, Illinois ("Mokena Property")	$5,500,000.00	$4,753,645.59
Joseph Junkovic	30 East Huron, Chicago, Illinois	$425,000.00	$432,343.94
Maria Junkovic	4831 N. Oketo, Chicago, Illinois	$350,000.00	$354,619.75

In the event of a liquidation, the mortgage claims of the Secured Creditors, real estate tax claims, costs of sale and capital gains taxes would be paid from the sale proceeds. The Debtors estimate that the following proceeds of sale would be available after payment of these claims and expenses:

Debtor	**Property**	**Net Liquidation Proceeds**
MFJT, LLC	Somerset I and Somerset II	$550,000.00
Garden Apts., LLC	Gardenview	$120,000.00
Mokena Corp.	Mokena Property	$150,000.00

Therefore, the total amount of net liquidation proceeds from the sale of the properties to be retained by the Debtors that could be available for distribution to Unsecured Creditors is $820,000.00.

Under the Plan, the following properties will be surrendered to the Secured Creditors with the mortgage(s) against the property:

Debtor	**Property**
Maria Junkovic	5001 Pittsburgh, Chicago, Illinois
Joseph Junkovic	3869 N. Ottawa, Chicago, Illinois
Tom Junkovic	423 Engel, Park Ridge, Illinois
Joseph Junkovic	222 Columbus, #1304, Chicago, Illinois

These properties are being surrendered as such properties have no equity and no cash flow. Therefore, there will be no proceeds available for Unsecured Creditors from the liquidation of these properties being surrendered by the Debtors.

The Debtors also have an interest in the following assets with potential liquidation value for Unsecured Creditors:

Debtor	**Asset**	**Net Liquidation Value**
The Junkovics	6011 N. Kenmore, Chicago, Illinois and 6009 N. Kenmore, Chicago, Illinois	$300,000.00
Joseph Junkovic	51% interest in partnership owning 1218 Morse, Chicago, Illinois	$270,000.00
Joseph Junkovic	2007 Acura MDX	$20,000.00

Tom Junkovic	2010 VW Jetta	$10,000.00
Joseph Junkovic	2006 Toyota Prius	$15,000.00
Joseph Junkovic	2007 Mustang GT	$20,000.00

Therefore, in the event of the liquidation of these assets, there could be $635,000.00 available for distribution to Unsecured Creditors.

The approximate amount of net cash available in certain of the Debtors' cases is as follows:

Debtor	**Net Cash** (estimated as of 9/1/11)[6]
MFJT, LLC	$627,000.00
Garden Apts, LLC	$161,000.00
Mokena Corp.	$264,000.00
Kenmore Realty Group	$7,000.00

The amount of net cash for the remaining Debtors is insignificant. Furthermore, all of the net cash set forth above constitutes the collateral of the respective lender which, in the event of liquidation, would be applied by the respective mortgage lender to the mortgage indebtedness. None of this net cash would likely be available for distribution to Unsecured Creditors.

On September 19, 2011, an auction of the College Square Apartments ("College Square") in DeKalb, Illinois was conducted pursuant to the Order of the Bankruptcy Court. The Junkovics and Kenmore Realty Group, LLP have ownership interests in College Square. College Square was sold at auction to Granite for the sum of $5,650,000.00 in cash. The auction price for College Square was substantially less than the gross aggregate amount of the liens on College Square. Therefore, none of

[6]This Net Cash does not include amounts on deposit in any pre-petition escrow maintained by the mortgage lenders. Such escrow funds would be applied by the respective mortgage lender to the mortgage indebtedness in the event of a forced liquidation.

the proceeds from the sale of College Square will be available for distribution to Unsecured Creditors under the Plan.

The Debtors have administered these Chapter 11 cases in a profitable manner and have paid the ongoing Administrative Expenses associated with such administration. The Debtors reasonably project that the amount of cash will continue to moderately increase from now through Confirmation of the Plan. This cash is to be used by the Debtors for payment of creditors' Claims under the Plan and for costs of operation of the Debtors' businesses after Confirmation of the Plan.

Typically, in the event of a foreclosure, no creditor other than the mortgage lender (and perhaps real estate tax claimants) receive funds from the foreclosure. The Debtors assert that such a result should be expected in foreclosures of the various properties. However, based upon the above analysis, under the Plan, there is a potential for the accumulation of net liquidation proceeds in the aggregate amount of $1,455,000.00 for subsequent distribution to Unsecured Creditors.

Clearly, the dividend being paid to Unsecured Creditors under the Plan ($1,850,000.00) represents substantially more than Unsecured Creditors would ever receive in a liquidation (which according to the above analysis is an amount less than $1,455,000.00). Furthermore, the existing trade debt to be paid according to ordinary business terms would also be included in the pool of Administrative Claims thereby substantially increasing the total dollar amount due Administrative Claimants in a liquidation and further reducing the amount of funds available for Unsecured Creditors. Also, the projected amount allowable for Administrative Claims, in the event of conversion, would further increase to account for the fees and costs attributable to a Chapter 7 Trustee and his administration or Secured Creditors and the liquidation of their collateral. These additional Administrative Expenses would further deplete any amounts available for distribution to Unsecured Creditors in the event of a forced liquidation.

Clearly, upon forced liquidation, Unsecured Creditors would get significantly less than what is being provided for in the Plan. In fact, mortgage lenders would also receive substantially less than that being paid under the Plan. Accordingly, the Plan offers all creditors substantially more than such creditors would ever receive in a liquidation.

IMPLEMENTATION AND FEASIBILITY OF THE PLAN

As discussed throughout this Disclosure Statement, distributions under the Plan shall be made from funds generated by the Debtors' real estate businesses and from existing cash deposits. The Debtors do not intend to borrow funds in order to fund the Plan payments, other than refinancing to make the various balloon payments to the holders of Allowed Claims is Classes 6, 7, 13, 16, 17, 18, 19, 20, 21 and 23.

Attached to this Disclosure Statement as **Exhibit "B"** are cash flow projections for the three (3) year period following Confirmation of the Plan. The purpose of these cash flow projections is to provide creditors with actual and projected financial information concerning the Debtors' ability to make the payments required under the Plan. These projections were prepared by the Debtors and are based upon an analysis of their current operations and income.[7] Attached hereto as **Exhibit "C"** are the Debtors' Income Statements of MFJT, Garden and Mokena for the years 2010 and January 1, 2011, through August 31, 2011, prepared on an accrual basis.

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[7]In making these projections, the Debtors have generally increased rental revenue each year by 3%. Certain exceptions to this annual average increase apply wherein, for particular tenants, the annual rental increase is less than 3%.

Payroll expense was increased each year by approximately 4%. However, in 2012, the overall payroll also increased more than 4% to account for additional hirings of MFJT for a full time maintenance person and a full-time leasing manager. Also, utility expenses were projected to increase by approximately 4% annually.

The Debtors believe that the Plan is feasible given the reasonable projections described above. The projections represent reasonable calculations of future business activities based upon the Debtors' current knowledge. The projections clearly reflect the Debtors' ability to perform under the proposed Plan. The Debtors believe that the Plan represents an opportunity for the holders of Allowed Claims to receive substantially more than such claimants would receive in a forced liquidation.

RECOMMENDATION

The Debtors recommend that those persons entitled to vote, vote to accept the Plan.

Respectfully submitted,

Kenmore Realty Group LLC, Joseph Junkovic, Tom Junkovic, Maria Junkovic, MFJT, LLC, Mokena Corp., Garden Apts., LLC, Midwestern Equities, LLC, Debtors/Debtors-in-Possession,

Date: December 19, 2011

By: /s/David K. Welch
One of their attorneys

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