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**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11
	:	
Richmond Valley Plaza LLC, <i>et al.</i> , ¹	:	Case No. 13-44040-CEC
	:	(Jointly Administered)
	:	
	:	
Debtors.	:	
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**FIRST AMENDED DISCLOSURE STATEMENT WITH RESPECT TO
DEBTORS' AMENDED JOINT PLAN OF REORGANIZATION UNDER
CHAPTER 11 OF THE BANKRUPTCY CODE**

**ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS AMENDED
DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE
VOTING TO ACCEPT OR REJECT THE PLAN². PLAN SUMMARIES AND
STATEMENTS MADE IN THIS DISCLOSURE STATEMENT, INCLUDING THE
FOLLOWING SUMMARY, ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE
TO THE PLAN, ANY AND ALL SUPPLEMENTS TO THE PLAN AND THE OTHER
EXHIBITS ANNEXED TO THE PLAN AND THIS DISCLOSURE STATEMENT. THE**

¹ The Debtors in this case are Richmond Valley Plaza, LLC, A.E.T. Realty Holding Corp., and E.B. Realty Holding Corp., and T.M. Real Estate Holding LLC *a/k/a* T.M. Realty Holding Corp. The Debtors cases are being jointly administered pursuant to an order of this Court, dated August 8, 2013 [ECF No. 25].

² All references to the Plan made herein, shall refer to the Amended Joint Chapter 11 Plan of Reorganization Proposed by the Debtors, dated April 21, 2014.

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

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE LAW. THIS DISCLOSURE STATEMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSES FOR WHICH THEY WERE PREPARED.

CERTAIN STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING FORWARD-LOOKING STATEMENTS, ARE BASED ON ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL REFLECT ACTUAL OUTCOMES.

THE INFORMATION IN THIS DISCLOSURE STATEMENT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF VOTING TO ACCEPT OR REJECT THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY

ANY PERSON OR ENTITY FOR ANY OTHER PURPOSE. THE FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING THE DESCRIPTION OF THE DEBTORS, THEIR BUSINESSES AND THE EVENTS LEADING TO THE COMMENCEMENT OF THESE CHAPTER 11 CASES, HAS BEEN OBTAINED FROM VARIOUS DOCUMENTS, AGREEMENTS AND OTHER WRITINGS RELATING TO THE DEBTORS. NEITHER THE DEBTORS NOR ANY OTHER PARTY MAKES ANY REPRESENTATION OR WARRANTY REGARDING SUCH INFORMATION.

THE TERMS OF THE PLAN GOVERN IN THE EVENT OF ANY INCONSISTENCY WITH THE SUMMARIES IN THIS DISCLOSURE STATEMENT. ALL EXHIBITS TO THE DISCLOSURE STATEMENT ARE INCORPORATED INTO AND ARE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN.

AS TO CONTESTED MATTERS, EXISTING LITIGATION INVOLVING THE DEBTORS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE WITHOUT PREJUDICE SOLELY FOR SETTLEMENT PURPOSES, WITH FULL RESERVATION OF RIGHTS, AND IS NOT TO BE USED FOR ANY LITIGATION PURPOSE WHATSOEVER. AS SUCH, THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE DEBTORS, OR ANY OTHER PARTY IN INTEREST, NOR SHALL IT BE

CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, FINANCIAL OR OTHER EFFECTS OF THE REORGANIZATION AS TO HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN THE DEBTORS.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, EACH HOLDER IS HEREBY NOTIFIED THAT (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY HOLDER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON A HOLDER UNDER THE TAX CODE; (B) SUCH DISCUSSION IS INCLUDED HEREBY BY THE DEBTORS IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE DEBTORS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) EACH HOLDER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

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EXHIBIT A – PLAN

EXHIBIT B – RESTRUCTURING AND PLAN SUPPORT AGREEMENT

EXHIBIT C- ORDER AUTHORIZING DEBTORS TO ENTER INTO AND PERFORM UNDER A PLAN SUPPORT AGREEMENT WITH T.D. BANK AND GRANTING THE DEBTORS CERTAIN TAX EXEMPTIONS UNDER THE PLAN (APRIL 9, 2014; ECF NO. 118)

I. INTRODUCTION

On June 28, 2013 (the “Petition Date”), Richmond Valley Plaza, LLC (“RVP”), A.E.T. Realty Holding Corp. (“AET”), E.B. Realty Holding Corp. (“EB”) and T.M. Real Estate Holdings LLC (“TM”) (collectively, the “Debtors”), each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) with the United States Bankruptcy Court for the Eastern District of New York (the “Bankruptcy Court”). On March 14, 2014, the Debtors filed their proposed Joint Chapter 11 Plan of Reorganization, also dated March 14, 2014 (as may be further amended, modified or supplemented, the “Plan”), a copy of which is annexed hereto as Exhibit A, which sets forth the manner in which Claims against and Equity Interests in the Debtors will be treated. ~~This~~ On April 21, 2014, the Debtors filed their proposed Amended Joint Chapter 11 Plan of Reorganization, dated April 21, 2014. This First Amended Disclosure Statement (the “Amended Disclosure Statement”) describes certain aspects of the Plan- as amended, (including the treatment of creditor Claims under the Plan), the Restructuring and Plan Support Agreement (the “Plan Support Agreement”), dated March 14, 2014, between the Debtors, the Individual Guarantors and T.D. Bank, N.A. (“TD

Bank” or the “Secured Lender”), the Debtors’ businesses and related matters. Unless otherwise defined, all capitalized terms have the meanings ascribed to them in the Plan.

As discussed more fully below, after a careful review of their businesses and prospects, and after extensive negotiations, the Debtors, in consultation with their advisors, and with the consent of the Secured Lender as reflected in the Plan Support Agreement, have concluded that recoveries to creditors will be maximized under the Plan, including the liquidation of Debtor TM through the sale of its real property and through the reorganization of Debtors RVP, AET and EB through a consolidated mortgage loan on its real property from an exit lender, as contemplated by the Plan and Plan Support Agreement.

This Amended Disclosure Statement is submitted to holders of Claims against the Debtors in connection with: (i) the solicitation of acceptances of the Plan; and (ii) the hearing to consider confirmation of the Plan (the “Confirmation Hearing”) presently scheduled for April 23, 2014, at 2:15 p.m. Eastern Time.

Attached as Exhibits to this Amended Disclosure Statement are copies of the following:

- The Plan (as amended) (Exhibit A); ~~and~~
- Plan Support Agreement (Exhibit B); and
- Order Authorizing Debtors to Enter Into and Perform Under Plan Support Agreement with TD Bank and Granting Debtors Certain Tax Exemptions under the Confirmed Plan (Exhibit C).

In addition, a Ballot for the acceptance or rejection of the Plan is being transmitted with this Disclosure Statement to the holders of Impaired Claims that are entitled to accept or reject the Plan. Detailed voting instructions accompany each Ballot. Each holder of a Claim entitled to vote on the Plan should read this Amended Disclosure Statement, the Plan, the Plan Support

Agreement, the other Exhibits hereto and the instructions accompanying the Ballot(s) in their entirety before voting. These documents contain, among other things, important information concerning the classification of Claims for voting purposes and the tabulation of votes. Due to the timing dictated by the Plan Support Agreement, the Debtors will be seeking approval of the [Amended](#) Disclosure Statement at the same hearing in which they seek confirmation of the Plan. The Debtors have moved the Court for an order, to be entered together with an order confirming the Plan, approving this Disclosure Statement as containing “adequate information” to enable a hypothetical, reasonable investor typical of the holders of Claims in Classes eligible to vote on the Plan to make an informed judgment as to whether to accept or reject the Plan. The Debtors will solicit votes to accept the Plan, prior to the hearing on confirmation.

A. Holders of Claims and Equity Interests Entitled to Vote

Only impaired holders of Allowed Claims or Interests are entitled to vote to accept or reject a proposed chapter 11 plan. Unimpaired Classes are deemed to have accepted the Plan and are not entitled to vote. Classes of Claims or Interests that will not receive any distribution under a reorganization plan are deemed to have rejected such plan and also are not entitled to vote.

Under the Plan, Class 3 (Secured Lender Claim) and Class 4 (General Unsecured Claims) are impaired and entitled to vote on the Plan. Class 5 (Equity Interests) will receive no Distributions under the Plan, but shall retain their equity on account of their contributions to the Debtors during these Chapter 11 Cases and are therefore deemed unimpaired and not entitled to vote. Classes 1 (Other Priority Claims) and 2 (Governmental Authority Lien Claims) are unimpaired and are conclusively deemed to have accepted the Plan.

The Code defines “acceptance” of a plan by a class of claims as acceptance by creditors in that class that hold at least two-thirds in dollar amount and more than one-half in number of

the claims that vote for acceptance or rejection of the plan. For a more detailed description of the requirements for confirmation of the Plan, see Article IV, "Classification and Treatment of Classified Claims and Equity Interests" and Article IX, "Conditions to Confirmation and Effective Date."

B. Voting Procedures

If you are entitled to vote to accept or reject the Plan, a Ballot is enclosed for that purpose. If you hold a Claim or an Interest in more than one Class and you are entitled to vote in more than one Class, you will receive separate Ballots that must be used for each separate Class.

Please vote and return your Ballot(s) directly to the following address:

FOX ROTHSCHILD LLP
Attn: Yann Geron, Esq. and Kathleen Aiello, Esq.
100 Park Avenue, 15th Floor
New York, New York 10017

DO NOT RETURN ANY OTHER INSTRUMENTS OR AGREEMENTS WITH YOUR BALLOT. TO BE COUNTED, YOUR BALLOT INDICATING ACCEPTANCE OR REJECTION FO THE PLAN MUST BE RECEIVED NO LATER THAN 5:00 P.M., PREVAILING EASTERN TIME, ON APRIL 10, 2014.

Each holder of an Allowed Claim in an impaired Class which receives or retains property under the Plan shall be entitled to vote separately to accept or reject the Plan and indicate such vote on a duly executed and delivered Ballot.

The deadline for the filing of proofs of claim (the "Bar Date") will occur on April 7, 2014. Accordingly, the Proponents shall provide a Ballot to all entities entitled to vote under the Plan (Classes 3 and 4). Entities which assert a claim which was either not listed on the Debtors'

schedules, or which was listed as contingent, unliquidated or disputed, shall be entitled to vote to accept or reject the Plan and, for voting purposes only, shall be deemed to hold a claim of \$1.

If you are a holder of a Claim entitled to vote on the Plan and you did not receive a Ballot, received a damaged Ballot or lost your Ballot, or if you have any questions concerning the procedures for voting on the Plan, please call Fox Rothschild LLP, Attn: Yann Geron at (212) 878-7900, counsel for the Debtors, during regular business hours.

II. CONFIRMATION HEARING

A hearing to consider confirmation of the Plan—, as amended (the “Confirmation Hearing”) will be held on April 23, 2014 at 2:15 p.m. Eastern Standard Time, before the Honorable Carla E. Craig, Chief United States Bankruptcy Judge, at the Court, 271 Cadman Plaza East, Brooklyn, New York 11201. The Court has directed that objections, if any, to confirmation of the Plan be served and filed so that they are received on or before April 16, 2014, at 5:00 p.m., New York Time. Service of any objection to confirmation must be served upon: (a) Fox Rothschild LLP, 100 Park Avenue, 15th Floor, New York, New York 10017, Attn: Yann Geron, Esq.; (b) Reed Smith LLP, 599 Lexington Avenue, New York, New York 10022, Attn: Michael Venditto, Esq.; and (c) the Office of the United States Trustee, 201 Varick Street, Suite 1006, New York, New York 10014, Attn: Nazar Khodorovsky, Esq. The Confirmation Hearing may be adjourned from time to time by the Court without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

THE PROPONENTS BELIEVE THAT THE PLAN WILL ENABLE THE DEBTORS TO MAXIMIZE RECOVERIES TO THEIR CREDITORS AND TO ACCOMPLISH THE OBJECTIVES OF CHAPTER 11. THE PROPONENTS BELIEVE THAT ACCEPTANCE OF

THE PLAN IS IN THE BEST INTERESTS OF THE DEBTORS AND THEIR CREDITORS.
THE PROPONENTS URGE CREDITORS TO VOTE TO ACCEPT THE PLAN.

III. OVERVIEW OF THE PLAN AND SUMMARY TREATMENT OF CLAIMS AND INTERESTS

In summary, under the Plan and in accordance with the Plan Support Agreement, the Debtors propose the following: (i) Debtor TM will sell its real property known as Block 7580, Lot 80, on the tax map of Richmond County, New York (the "Lot 80 Property") to a third party purchaser, Lot 80, LLC, or its designee (the "Lot 80 Sale"), in the gross amount of \$7.5 million, free and clear of all Claims, Liens, charges, interests and encumbrances ~~other than the Permitted Exceptions~~, without recourse to the Debtor TM, and upon closing of the Lot 80 Sale will satisfy all Governmental Authority Lien Claims directly from the proceeds of the Lot 80 Sale; (ii) the Debtors RVP, EB and AET, either directly or through a nominee of and/or successor in interest to the Debtors, will enter into a refinancing agreement on the real property known as Block 7580, Lots, 1, 3 & 5 ("Lots 1, 3 & 5" or "Richmond Valley Plaza") with Cantor Real Estate Lending, L.P. ("CCRE"), in the gross amount of \$8 million (the "CCRE Refinancing"), and upon closing of the CCRE Refinancing will satisfy all Governmental Authority Lien Claims directly from the loan proceeds; and (iii) the Debtors' Partners shall contribute, without recourse to the Debtors, any additional funds necessary to satisfy the Secured Lender Settlement Amount (defined below) in full ~~and upon receipt of such payment,~~ as well as any other plan funding requirements (collectively, the "Plan Funding"). Upon receipt of the Secured Lender Settlement Amount, the Secured Lender shall release the Debtors and the Individual Guarantors from the Claims (collectively, the "Plan Funding" as defined in the Plan Support Agreement).

In consideration thereof, the Debtors shall fund the distributions to creditors under the Plan, including: (a) payment to TD Bank in full satisfaction of its Allowed Secured Claims and any unsecured deficiency or Guaranty claims that may be asserted against the Debtors or the Individual Guarantors (approx. \$14.8 million) (the “Secured Lender Settlement Amount”); (b) the fees of the Debtors’ attorneys (approx. ~~\$350,000~~400,000); and (c) an approximate 44% distribution to holders of Allowed Unsecured Claims (approx. \$100,000, payable in two yearly installments commencing on the second anniversary of the Effective Date to be paid annually thereafter on a *pro rata* basis-~~)).~~ All Governmental Authority Lien Claims will be satisfied directly from the proceeds of the Lot 80 Sale and the CCRE Refinancing upon closing.

As provided in the Plan, Administrative Claims, Priority Tax Claims, Professional Fee Claims and Other Unclassified Claims have not been classified and are excluded from the following Classes in accordance with section 1123(a)(1) of the Bankruptcy Code, however, the Debtors intend to satisfy all such claims, in full, upon the Effective Date.

IV. OVERVIEW OF CHAPTER 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, a debtor is authorized to reorganize its business for the benefit of interested parties including its creditors and equity interest holders. In addition to permitting rehabilitation of a debtor, another goal of chapter 11 is to promote equality of treatment for similarly situated creditors and equity interest holders with respect to the distribution of the debtor’s assets.

The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a “debtor-in-possession.” The consummation of a plan of reorganization is the principal objective

of a chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against and interests in the debtor. Confirmation of a plan by the bankruptcy court makes the plan binding upon a debtor, any issuer of securities under the plan, any person acquiring property under the plan and any creditor or equity interest holder of a debtor. Subject to certain limited exceptions, the confirmation order discharges a debtor from any debt that arose prior to the date of confirmation of the plan and substitutes therefor the obligations specified under the confirmed plan.

After a plan has been filed, the holders of claims against or interests in a debtor are generally permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, however, section 1125 of the Bankruptcy Code requires a debtor to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. In this case, the Debtors are submitting this Disclosure Statement to holders of Claims against the Debtors and the Debtors' Equity Holders to satisfy the requirements of section 1125 of the Bankruptcy Code.

V. DESCRIPTION OF THE DEBTORS' BUSINESSES

A. Background

1. Debtor TM – Owner of Lot 80

Debtor TM is in the business of developing the Lot 80 Property. The Lot 80 Property is subject to a mortgage held by the Secured Lender in the principal amount of \$7,930,000.00 (the "TM Loan"), which is secured by a first lien on the Lot 80 Property, and a written Guaranty of Payment (the "TM Guaranty") dated October 4, 2007, from RVP, AET, EB, T.M. Realty Holding Corp., John Noce, Alice Noce, Joseph Noce, Lisa Noce, Antonio Mandara, Lisa

Mandara, Augusto Mandara, Guiseppina Mandara, Emilio Branchinelli and Judy Branchinelli (collectively, the “Individual Guarantors”). The Lot 80 Property is still in development to become a 70,000 square foot shopping center available for lease by premiere retail tenants. On or around August 17, 2011, after TM could not satisfy the TM Loan by its maturity date, TD Bank filed an action in the Supreme Court of the State of New York, County of Richmond, which captioned is styled *T.D. Bank, N.A. (Successor by Merger to Commerce Bank/North) v. TM Real Estate Holding, LLC, John Noce, Alice Noce, Joseph Noce, Lisa Noce, Antonio Mandara, Lisa Mandara, Augusto Mandara, Guiseppina Mandara, Emilio Branchinelli, Judy Branchinelli, Richmond Valley Plaza, LLC, A.E.T. Realty Holding Corp., E.B. Realty Holding Corp., T.M. Realty Holding Corp. and The Stop & Shop Supermarket Company* (Index No. 130668/2011), before the Honorable John A. Fusco, J.S.C. (the “Lot 80 Foreclosure Action”).

On or around April 15, 2013, TD Bank obtained a judgment and order of foreclosure with respect to TM Loan (the “Lot 80 Judgment”), which was recorded by the Richmond County Clerk on or around May 1, 2013. The Lot 80 Property was noticed for auction sale on July 10, 2013. The Lot 80 Foreclosure was stayed by virtue of the Debtors’ bankruptcy filing.

The total principal balance due under the Lot 80 Judgment is \$10,051,527.92, plus interest at a rate of \$2,066.08 per day from, February 19, 2013 to May 1, 2013 at the per diem, 71 days, totaling \$146,691.68. In addition, the Lot 80 Judgment accrued statutory interest from May 1, 2013 to June 28, 2013, the Petition Date, at the per diem rate of \$2,549.55 for 58 days, totaling \$147,873.90. Therefore, the amount of the Lot 80 Judgment prior to the Petition Date totaled \$10,346,093.50.²³

²³ The Lot 80 Judgment has been accruing post-petition interest in the approximate amount of \$76,486.50 per month. Pursuant to the Order Further Extending Time of T.M. Real Estate Holding LLC to File a plan of Reorganization or Motion to Approve Debtor-in-Possession or Replacement Financing, dated November

2. **Debtors RVP, AET and EB – Owners of Richmond Valley Plaza (Lots 1, 3 & 5)**

The Richmond Valley Plaza shopping center is situated on the property commonly known as Block 7580, Lots 1, 3 & 5, on the tax map of Richmond County (the “RVP Property”). Lot 1 is owned by Debtor RVP, Lot 3 is owned by Debtor AET and Lot 5 is owned by Debtor EB. The RVP Property is fully developed and fully rented to premiere commercial tenants, with an approximate annual rent roll of \$764,198.56 (triple net). The respective leases (the “Leases”) with the RVP Property’s tenants are held by the specific Debtor which holds title to that Lot.

Lots 1, 3 & 5 of the RVP Property are subject to three consolidated mortgages (together, the “RVP Loan”), dated October 4, 2006 and held by TD Bank, which consists of: (i) a \$1,528,000.00 Consolidated, Amended and Restated Acquisition Loan Note, (ii) a \$3,685,000.00 Building Loan Note, and (iii) a \$457,000.00 Project Loan Note. The RVP Loan was extended and modified pursuant to a Mortgage Modification Agreement made by Debtors RVP, EB, AET and TD Bank on or around June 10, 2009, to form a new single secured note and mortgage in the principal amount of \$5,670,000.00. The RVP Loan is secured by a first lien on Lots 1, 3 & 5 and a written Guaranty of Payment (the “RVP Guaranty,” together with the TM Guaranty, each a “Guaranty” and collectively the “Guaranties”), dated October 4, 2006, from John Noce, Alice Noce, Joseph Noce, Lisa Noce, Antonio Mandara, Lisa Mandara, Augusto Mandara, Guiseppina

14, 2013 [Docket Number 66] (the “First Stay Continuation Order”), Second Order Conditioning the Continuation of the Automatic Stay for the Purpose of Allowing T.M. Real Estate Holding LLC to file a Plan of Reorganization or Motion to Approve Debtor-in-Possession or Replacement Financing, dated December 19, 2013 [Docket Number 82] (the “Second Stay Continuation Order”), and Third Order Conditioning the Continuation of the Automatic Stay for the Purpose of Allowing T.M. Real Estate Holding LLC to file a Plan of Reorganization or Motion to Approve Debtor-in-Possession or Replacement Financing, dated February 26, 2014 [Docket Number 95] (the “Third Stay Continuation Order”), the Debtors have made post-Petition payments to TD Bank, each in the amount of \$76,486.50, covering the period of October 23, 2013 to March 22, 2014, totaling \$382,432.50 (the “Paid Post-Petition Lot 80 Interest”). In addition, pursuant to the First Stay Continuation Order, the Debtors paid \$118,424.90 for real estate taxes for the period of January – June 2014.

Mandara, Emilio Branchinelli and Judy Branchinelli (collectively, the “Individual Guarantors”). The RVP Loan and the TM Loan are cross-guaranteed but were never cross-collateralized.

On or around October 27, 2011, after Debtors RVP, EB and AET could not satisfy the RVP Loan by its maturity date, TD Bank filed an action in the Supreme Court of the State of New York, County of Richmond (the “State Court”), which captioned is styled *T.D. Bank, N.A. (Successor by Merger to Commerce Bank/North) v. Richmond Valley Plaza, LLC, A.E.T. Realty Holding Corp., E.B. Realty Holding Corp., T.M. Realty Holding Corp., John Noce, Alice Noce, Joseph Noce, Lisa Noce, Antonio Mandara, Lisa Mandara, Augusto Mandara, Guiseppina Mandara, Emilio Branchinelli, Judy Branchinelli, Board of Managers of the Shopowners Association, The New York State Department of Taxation and Finance, The New York City Department of Finance and John Doe #1 through John Doe #10*, (Index No. 130847/2011), which is pending before the Honorable John A. Fusco, J.S.C. (the “Richmond Valley Plaza Foreclosure Action”).

On July 5, 2012, the State Court entered an Order Appointing Receiver in Mortgage Foreclosure Action, wherein Michael V. Ajello, Esq. (the “Receiver”) was appointed temporary receiver, for the benefit of TD Bank of all rents, profits and other revenue of Lots 3 and 5.³⁴ On October 23, 2012, the Receiver advised the State Court that he could no longer act as the Receiver. On or around December 2012, the Receiver, TD Bank, and each of the Debtors entered into a Stipulation and Order Discharging Receiver (the “Stipulation”), which provided that all rent, additional rent and other amounts due and payable under the Leases would be

³⁴ It should be noted that Lot 1 is leased by TD Bank directly, so any rent collection from that space is for the direct payment and benefit of TD Bank.

collected directly by the Secured lender and applied towards the Debtors' obligations to the Secured Lender.

On or around May 16, 2013, TD Bank obtained an Order and Judgment of Foreclosure and Sale with respect to Lots 1, 3 & 5 (the "Lots 1, 3 & 5 Judgment"), which was recorded by the Richmond County Clerk on May 15, 2013. The Lots 1, 3 & 5 Judgment is in the amount of \$6,332,792.63 plus interest at a rate of \$1,357.46 per day from, February 19, 2013 to May 16, 2013 at the per diem, 95 days, totaling \$128,958.70. In addition, the Lots 1, 3 & 5 Judgment accrued statutory interest from May 16, 2013 to June 28, 2013, the Petition Date, at the per diem rate of \$1,585.00 for 50 days, totaling \$79,250.00. Therefore, the amount of the Lot 80 Judgment prior to the Petition Date totaled \$6,467,844.62⁴⁵. The Secured Lender collected \$115,659.60 of rent from the RVP Property pursuant to the Order Granting Relief on Use of Cash Collateral and Granting Adequate Protection to TD Bank entered by this Court on September 11, 2013 (the "Cash Collateral Order") [Docket Number 45].

The total principal balance due to TD Bank under the Lot 80 Judgment and Lots 1, 3 & 5 Judgment as of the Petition Date is \$16,698,278.52, plus interest, fees, costs and expenses accruing thereon (the "Secured Lender Claim").

VI. THE DEBTORS' BANKRUPTCY CASES

A. Motions and Orders

Salient Motions. On July 12, 2013, the Debtors filed a motion for the joint administration of the Debtors' cases and an order authorizing the joint administration was entered on August 8, 2013. See ECF Nos. 10 and 25. On July 23, 2013, the Debtors filed a Motion, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 506, 541, 542, 543 and 552, and

⁴⁵ This amount reflects a credit of \$73,156.71 for post-judgment transfer out of the Cash Collateral Account on May 14, 2013.

Rule 4001(b) of the Federal Rules of Bankruptcy Procedure for Entry of an Order (a) Directing Turnover from T.D. Bank of Debtors' Rent Receipts, (b) Authorizing the Use of Cash Collateral and Granting Adequate Protection to T.D. Bank and (C) for an Accounting of All Rents Collected by T.D. Bank, N.A. and the Cash Collateral Order was entered on September 11, 2013. See ECF Nos. 15 and 45. The Secured Lender opposed the relief sought by the Debtors, which was resolved by the Cash Collateral Order.

Retention of Counsel. On July 12, 2013, the Debtors filed an application seeking to retain Fox Rothschild LLP ("Fox") as its attorneys. See ECF No. 9. An order approving such retention *nunc pro tunc* to the Petition Date was entered on July 19, 2013 [ECF No. 14]. On August 29, 2013, the Debtors filed an application seeking to retain Deutsch, Metz & Deutsch LLP ("DM&D") as its special litigation counsel. See ECF No. 42. An order approving DM&D's retention as of June 28, 2013 was entered on September 6, 2013 [ECF No. 44].

B. No Official Committee of Unsecured Creditors

No official committee of unsecured creditors has been appointed in the Chapter 11 cases.

C. Disclosure Statement/Plan Confirmation Hearings

The Plan Proponents have moved this Court for an order, to be entered in conjunction with an order confirming the Plan, approving this Disclosure Statement as containing "adequate information" to enable a hypothetical, reasonable investor typical of the Holders of Claims in classes eligible to vote on the Plan to make an informed judgment as to whether to accept or reject the Plan. A hearing to consider the adequacy of this Disclosure Statement along with confirmation of the Plan (the "Plan Confirmation Hearing") will be held on April 23, 2014.

VII. THE PLAN OF REORGANIZATION

After carefully considering several alternatives, the Debtors have determined that the best approach for maximizing the recovery to the Debtors' creditors is through the Lot 80 Sale, the CCRE Refinancing and additional funding, as set forth in the Plan and the Plan Support Agreement. The Debtors believe that absent the Plan Support Agreement with TD Bank, the Debtors would become embroiled in lengthy and uncertain litigation with the Secured Lender, which would lead to a foreclosure by the Secured Lender on the Lot 80 Property and the RVP Property, and which would eliminate any recovery to other creditors. Therefore, the Proponents believe that acceptance of the Plan is in the best interests of the creditors.

Below is a summary of salient provisions of the Plan, a copy of which is annexed hereto as Exhibit A, and the Plan Support Agreement, annexed hereto as Exhibit B. The terms of the Plan govern in the event of any discrepancies with the following discussion.

A. Classification and Treatment of Administrative Expense Claims, Claims and Equity Interests under the Plan

Only administrative expenses, claims and equity interests that are "allowed" may receive distributions under a chapter 11 plan. An "allowed" administrative expense, claim or equity interest simply means that a debtor agrees, or in the event of a dispute, that the court determines, that the administrative expense, claim or equity interest, including the amount, is in fact a valid obligation of, or interest in, a debtor. Section 502(a) of the Bankruptcy Code provides that a timely-filed administrative expense, claim or equity interest is automatically "allowed" unless a debtor or another party in interest objects.

The Bankruptcy Code also requires that, for purposes of treatment and voting, a chapter 11 plan divides the different claims against, and equity interests in a debtor, into separate classes

based upon the legal rights and obligations attached to the claim or interest. Substantially similar claims are usually but not necessarily, classified together, as are equity interests of a substantially similar legal nature. Because an entity may hold multiple claims and/or equity interests which give rise to different legal rights, the holders of such claims and/or equity interests may find themselves members of multiple classes of claims and/or equity interests. As a result, under the Plan, for example, a creditor that holds a Claim based on an unsecured Claim as well as equity in the Debtor would have its Claim classified in Class 4 and its Equity Interest classified in Class 5. To the extent of this holder's Claim, the holder would be entitled to the voting and treatment rights that the Plan provides with respect to Class 4 and, to the extent of the holder's Equity Interest, the voting and treatment rights that the Plan provides with respect to Class 5.

Under section 1124 of the Bankruptcy Code, in a chapter 11 plan the separate classes of claims and equity interests must be designated either as "impaired" (altered by the plan in any way) or "unimpaired" (unaltered by the plan). A class of claims or interests is "impaired" unless, with respect to each claim or interest of such class, the plan: (i) does not alter the legal, equitable and contractual rights of the holders of such claims or interests; or (ii) irrespective of the holder's right to receive accelerated payment of such claims or interests after the occurrence of a default, cures all defaults (other than those arising from, among other things, the debtor's insolvency or the commencement of a bankruptcy case), reinstates the maturity of the claims or interests in the class, compensates the holders of such claims or interests for any damages incurred as a result of their reasonable reliance upon any acceleration rights and does not otherwise alter their legal, equitable or contractual rights. Typically, this means that the holder of an unimpaired claim will receive on the later of the effective date of the plan of reorganization or the date on which amounts owing are due and payable, payment in full, in case, with post-petition interest to the

extent permitted and provided under the governing agreement between the parties (or, if there is no agreement, under applicable non-bankruptcy law), and the remainder of the debtor's obligations, if any, will be performed as they come due in accordance with their terms. Thus, other than its right to accelerate the debtor's obligations, the holder of an unimpaired claim will be placed in the position it would have been in had the debtor's case not been commenced. If a class of claims is "impaired," then under the Bankruptcy Code, the holder of such claims will be afforded certain rights, including the right to vote on the plan (unless the plan provides for no distribution to the holder, in which case, the holder is deemed to reject the plan).

Consistent with these requirements, the Plan divides the Claims against, and Equity Interests in, the Debtors into the following Classes:

Unclassified	Administrative Expense Claims	Paid in full
Unclassified	Priority Tax Claims	Paid in full
Unclassified	Professional Fee Claims	Paid in full
Unclassified	Other Unclassified Claims	Paid in full
Class 1	Other Priority Claims	Unimpaired
Class 2	Governmental Authority Lien Claims	Unimpaired
Class 3	Secured Lender Claim	Impaired
Class 4	General Unsecured Claims	Impaired
Class 5	Equity Interests	Unimpaired

For purposes of computing Distributions under the Plan, Allowed Claims do not include post-petition interest unless otherwise specific in the Plan.

The Plan provides for substantive consolidation of the Debtors' Estates, but solely for purposes of voting, confirmation, and making distributions to the Holders of Allowed Claims under the Plan. On the Effective Date, and solely for purposes of voting, confirmation, and making distributions to the Holders of Allowed Claims under the Plan: (a) all guarantees of any Debtor of the payment, performance or collection of another Debtor with respect to Claims against such Debtor shall be eliminated and cancelled; (b) any single obligation of multiple Debtors shall be treated as a single obligation in the consolidated Chapter 11 Cases; and (c) all guarantees by a Debtor with respect to Claims against one or more of the other Debtors shall be treated as a single obligation in the consolidated cases. On the Effective Date, and in accordance with the terms of the Plan and the consolidation of the assets and liabilities of the Debtors, all Claims based upon guarantees of collection, payment, or performance made by a Debtor as to the obligation of another Debtor shall be released and of no further force and effect. Except as set forth in this Section, such substantive consolidation shall not affect (a) the legal and corporate structure of the Reorganized Debtors, or (b) any obligations under any leases or contracts assumed in the Plan or otherwise after the Petition Date. Notwithstanding anything to the contrary herein, on or after the Effective Date, any and all Intercompany Claims will be adjusted (including by contribution, distribution in exchange for new debt or equity, or otherwise), paid, continued, or discharged to the extent reasonably determined appropriate by the Reorganized Debtors. Any such transaction may be effected on or subsequent to the Effective Date without any further action by the Bankruptcy Court or by the holder of any Equity Interest in any of the Reorganized Debtors. Notwithstanding the substantive consolidation of the Estates for the purposes set forth herein, each Reorganized Debtor shall pay all United States Trustee fees on all disbursements, including Plan Distributions and disbursements in and outside of the ordinary

course of business, until the entry of a final decree in its Chapter 11 Case, dismissal of its Chapter 11 Case, or conversion of its Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code.

1. **Unclassified – Administrative Claims**

Administrative Claims are Claims constituting costs or expenses of administration of the Chapter 11 Cases. Such Claims include any actual and necessary costs and expenses of preserving the Debtors' estates, any indebtedness or obligations incurred or assumed by the Debtors in connection with the conduct of their businesses, all compensation and reimbursement of expenses to the extent allowed by the Court under the Bankruptcy Code and any fees or charges assessed against the Debtors' estates owed to the office of the U.S. Trustee.

Pursuant to the Plan, except to the extent the holder of an Allowed Administrative Claim ~~address~~ [is addressed](#) otherwise, each holder of an Allowed Administrative Claim (which does not include claims for fees and expenses incurred by bankruptcy counsel for the Debtors) shall be paid in respect of such Allowed Administrative Claim: (a) the full amount thereof in Cash, as soon as practicable after the later of (i) the Effective Date; and (ii) the date on which such Claim becomes an Allowed Administrative Claim, or upon such other terms as may be agreed upon by the holder of such Allowed Administrative Claim; or (b) such lesser amount as the holder of such Allowed Administrative Claim and the Debtors might otherwise agree; provided, however, that all Administrative Claims incurred in the ordinary course of the Debtors' businesses during the Chapter 11 Cases shall be paid in the ordinary course of the Debtors' businesses. Notwithstanding the foregoing, the Statutory Fees shall be paid in Cash as soon as practicable after the Effective Date.

Unless otherwise ordered by the Bankruptcy Court, requests for payment of Administrative Claims (except for Professional Fee Claims) must be filed and served on each of the Proponents' counsel, no later than thirty (30) days after the Confirmation Date (the "Administrative Claims Bar Date"). Any Person that is required to file and serve a request for payment of an Administrative Claim and fails to timely file and serve such request, shall be forever barred, estopped and enjoined from asserting such Claim or participating in distributions under the Plan on account thereof. Objections to requests for payment of Administrative Claims (except for Professional Fee Claims) must be filed and served on the Proponents' counsel, and the party requesting payment of an Administrative Claim within thirty (30) days after the filing of such request for payment. The Debtors believe there are no such Claims.

2. **Unclassified – Priority Tax Claims**

Priority Tax Claims are Claims for taxes against the Debtors entitled to priority in payment pursuant to section 507(a)(8) of the Bankruptcy Code. Except as provided otherwise in the Plan, each holder of an Allowed Priority Tax Claim shall be paid in respect of such Allowed Claim (a) the fullest amount thereof, without post-Petition Date interest or penalty, in Cash, as soon as practicable after the later of: (i) the Effective Date; and (ii) the date on which such Claim becomes an Allowed Priority Tax Claim; or (b) upon such other terms as may be agreed upon by the holder of such Allowed Claim. The Debtors believe there are no such Claims.

3. **Unclassified – Professional Fee Claims**

Professionals are Persons employed pursuant to an order of the Bankruptcy Court in accordance with section 327, 328 or 1103 of the Bankruptcy Code or otherwise and to be compensated for services rendered prior to the Effective Date pursuant to section 327, 328, 329, 330 and/or 331 of the Bankruptcy Code. Professionals in these Chapter 11 Cases consist of Fox

~~and DM&D~~ [Rothschild LLP and Deutsch, Metz & Deutsch LLP](#). Professional Fee Claims are Claims for fees and expenses claimed by a Professional Person pursuant to sections 330, 331 or 503 of the Bankruptcy Code, and unpaid as of the Effective Date, but not including any subrogation or contribution Claim arising from any Person's payment of any fees and expenses to a Professional Person.

Pursuant to the Plan, unless otherwise ordered by the Bankruptcy Court and subject to notice and a hearing under section 330 of the Bankruptcy Code, requests for payment of Professional Fee Claims incurred through the Effective Date must be filed and served on counsel to each of the Proponents no later than twenty (20) days after the Confirmation Date (the "Professional Fee Claim Bar Date"). The day prior to the Confirmation Date, each Professional shall provide each of the Proponents with a written estimate of the total amount of compensation and expenses for which such Professional expects to seek final compensation and reimbursement pursuant to section 330 of the Bankruptcy Code. Such estimates shall include estimated sums for the preparation and prosecution of any application for final compensation.

The Debtors believe that Professional Fee Claims total approximately ~~\$350,000.00~~ [400,000.00](#).

Under the Plan, each holder of an Allowed Professional Fee Claim shall receive 100% of the unpaid amount of such Allowed Professional Fee Claim in Cash after such Professional Fee Claim becomes an Allowed Professional Fee Claim.

4. **Unclassified – Other Unclassified Claims**

The Proponents do not believe that any other unclassified claims exist in these Chapter 11 Cases. However, to the extent that there are any Allowed Claims which are not classified in the Plan and which are not Administrative Claims, Priority Tax Claims or Professional Fee Claims,

such Claims shall be paid in full, in Cash, as soon as practicable after the later of: (i) the Effective Date; and (ii) the date on which such Claim becomes an Allowed Claim.

5. **Class 1 – Other Priority Claims (Unimpaired; therefore, deemed to have accepted the Plan and not entitled to vote)**

Other Priority Claims consist of Claims against the Debtors entitled to priority in payment under section 507(a) of the Bankruptcy Code, other than an Administrative Claim, Professional Fee Claim or Priority Tax Claim.

Under the Plan, each holder of an Allowed Other Priority Claim shall be paid in respect of such Allowed Other Priority Claim (a) the full amount thereof in Cash, as soon as practicable after the later of (i) the Effective Date; and (ii) the date on which such Claim becomes an Allowed Other Priority Claim, or upon such other terms as may be agreed upon by the holder of such Allowed Other Priority Claim and the Debtors; or (b) such lesser amount as the holder of such Allowed Other Priority Claim and the Debtors might otherwise agree.

The Debtors believe that the Other Priority Claims total approximately \$1,810.20. Under the Plan, each holder of an Allowed Other Priority Claim shall receive 100% of the unpaid claim. This Class is not impaired and, therefore, the holders of the Claims in this Class are not entitled to vote and are conclusively presumed to accept the Plan.~~The Debtors believe there are no such Claims.~~

6. **Class 2 – Government Authority Lien Claims (Unimpaired; therefore, deemed to have accepted the Plan and not entitled to vote)**

Governmental Authority Lien Claims are Secured Claims of any governmental taxing authorities including, without limitation, the New York City Department of Finance, New York State Environmental Control Board or other state or local authority, whose liens against the Property arise by operation of law.

Under the Plan, each holder of an Allowed Governmental Authority Lien Claim shall be paid in respect of such Allowed Governmental Authority Lien Claim ~~(a) consistent with the terms of any written payout agreement made by or on behalf of the holder of such Allowed Governmental Authority Lien Claim and the Debtors before the Petition Date; (b) the full amount thereof in Cash, as soon as practicable after the later of (i) the Effective Date; and (ii) the date on which such Claim becomes an Allowed Governmental Authority Lien Claim, or upon such other terms as may be agreed upon by the holder of such Allowed Governmental Authority Lien Claim and the Debtors.~~ , the full amount thereof in Cash directly from the proceeds of the Lot 80 Sale and the CCRE Refinancing upon the closing of those respective transactions.

The Debtors believe that such claims total approximately \$~~450,560.67~~ 503,976.03 and will be satisfied directly at the time of the closing on the Lot 80 ~~Property Sale~~ and the CCRE Refinancing. Therefore, this Class is not impaired ~~and, the~~ The holders of the Claims in this Class are not entitled to vote and are conclusively presumed to accept the Plan.

7. **Class 3 – TD Bank: the Secured Lender (Impaired; therefore, entitled to vote to accept or reject the Plan)**

Under the Plan, and pursuant to the Plan Support Agreement, the Secured Lender shall have an Allowed Claim in the amount of no less than \$16,698,278.52, plus fees, costs and expenses, as of the Petition Date, on account of the TM Loan and the RVP Loan, which Claim shall be an Allowed Secured Claim⁵⁶. Pursuant to the Plan Support Agreement, the Secured Lender has agreed to accept the Secured Lender Settlement Amount of \$14,800,000.00 in full and final satisfaction of its Allowed Secured Lender Claim and any and all claims that the Secured Lender may assert against the Debtors and the Individual Guarantors. The Secured

⁵⁶ The terms of the Plan Support Agreement, which are incorporated into the Plan and this Disclosure Statement, shall govern and are binding upon the Debtors and the Secured Lender.

Lender Settlement Amount shall be paid to the Secured Lender on or after the Effective Date, but no later than the Target Date. The Secured Lender's Allowed Secured Claim is impaired under the Plan and the Secured Lender is, therefore, entitled to vote on the Plan. Pursuant to the Plan Support Agreement, the Secured Lender will vote in favor of the Plan.

8. Class 4 – General Unsecured Claims (Impaired; therefore, entitled to vote to accept or reject the Plan)

General Unsecured Claims are unsecured, non-priority Claims that are not Administrative Claims, Priority Tax Claims, Other Priority Claims, Professional Fee Claims or Secured Claims.

Under the Plan, each holder of an Allowed General Unsecured Claim is impaired ~~under the Plan~~. The Plan provides that ~~Allows~~ Allowed General Unsecured Claims shall receive \$100,000, payable in two yearly installments commencing on the second anniversary of the Effective Date to be paid annually thereafter on a *pro rata* basis. Class 4 Allowed Claims aggregate approximately \$227,280.00. Class 4 Allowed Claims will receive a Distribution equal to approximately 44% of its Allowed General Unsecured Claim,

9. Class 5 – Equity Interests (Unimpaired; therefore, deemed to have accepted and not entitled to vote)

Equity Interests consist of the legal, equitable, contractual or other rights of any Person with respect to any capital stock, membership interest or other ownership interest in the Debtors, whether or not transferable, and any option, warrant or right to purchase, sell, subscribe for, or otherwise acquire or receive an ownership interest or other equity security in the Debtors.

Under the Plan, on the Effective Date, holders of Equity Interests in any of the Debtors and the holders thereof shall retain their Equity Interests on account of their contributions to the Debtors during these Chapter 11 Cases and pursuant to the Plan Support Agreement. Equity

Interests shall not receive any Distribution under ~~this~~ the Plan. The holders of Equity Interests are unimpaired and are not entitled to vote on ~~this~~ the Plan.

B. Provisions Regarding Corporate Governance and Management of the Debtors Post-Confirmation

1. Post-confirmation Management of Debtors.

Following the Effective Date and the payment of Secured Creditors and all Allowed Claims, John Noce shall continue to serve as the manager of the reorganized Debtors RVP, AET and EB. The Debtor TM will be liquidated and dissolved post-Confirmation. Mr. Noce will not receive compensation for his services as manager of the reorganized Debtors RVP, AET and EB.

2. Corporate Action.

Upon the entry of the Confirmation Order, all matters provided under the Plan involving the corporate structure of the Debtors shall be deemed authorized and approved without the requirement of further action by the Debtors, the Debtors' shareholders and/or members, or the Debtors' boards of directors, managers, and/or managing members.

C. Means for Implementation of the Plan

1. Plan Support Agreement

The Plan Support Agreement is the mechanism which will enable the Plan's implementation with the Secured Creditor's consent and cooperation. The Debtors were authorized to enter into and perform under the Plan Support Agreement with TD Bank, by order of the Court, dated April 9, 2014 [ECF No. 118]. A copy of the Order is annexed hereto as Exhibit C. Under the Plan Support Agreement, the Secured Creditor will be paid \$14.8 million in full and final settlement of the Secured Creditor's Allowed Claim, including any recourse claims and claims against the Individual Guarantors. The Governmental Authority Lien Claims, consisting entirely of liens held by the City of New York, will be paid in full upon the closing of

the Lot 80 Sale and the CCRE Refinancing directly from the proceeds of those transactions. The Plan Support Agreement enables the Debtors to convey title to the Lot 80 Property ~~on a “short sale”, that is, in~~ a sale that is for market value but for less than the amount of the Secured Creditor’s lien against the Lot 80 Property. The RVP Debtors guaranteed the Secured Creditor’s claim against the Lot 80 Property. Any short sale of the Lot 80 Property would be resisted by the Secured Lender, would not likely be approved by the Court, and in any event, would generate a significant alleged deficiency claim—, particularly after the satisfaction of the Governmental Authority Lien Claims, which the Secured Creditor would enforce against the RVP Debtors as an unsecured claim. Such deficiency claim would effectively bar the CCRE Refinancing. Thus, the Plan Support Agreement also enables the Debtors to proceed with the CCRE Refinancing.

2. Funding of the Plan Funding Account.

The Plan Funding Account is an account to be established on the Effective Date and administered by the Disbursing Agent. The Plan Funding Account will be funded by the Debtors or their principals and affiliates to satisfy the Debtors’ obligations under the Plan to pay (i) unpaid Administrative Expense Claims, including payments to the Office of the United States Trustee; (ii) approximately ~~\$350,000.00~~ 400,000.00 for Allowed Professional Fee Claims; (iii) ~~Government Authority Lien~~ approximately \$1,810.20 for Other Priority Claims; (iv) Distributions on account of Allowed Other Unclassified Claims, if any; and ~~(v) Distributions on account of Allowed Other Priority Claims, if any; and~~ (vi) Statutory Fees. After the initial funding of the Plan Funding Account on the Effective Date, the reorganized Debtors RVP, AET and EB shall contribute \$50,000 to the Plan Funding Account on the second anniversary of the Effective Date to be distributed *pro rata* on account of Allowed General Unsecured Claims. The reorganized Debtors RVP, AET and EB shall contribute another \$50,000 on the third anniversary

of the Effective Date to be distributed *pro rata* on account of Allowed General Unsecured Claims.

3. Sale and Transfer of Title to the Lot 80 Property.

Following the Effective Date of the Plan and as provided for in the Plan Support Agreement, Debtor TM will convey, by the Deed, to the Buyer Designee, all of the Debtor TM's right, title and interest in and to the Lot 80 Property, free and clear of any and all liens, claims, security interests, encumbrances, rights or interests of any kind or nature whatsoever, including any liability for any local, federal or state stamp or similar tax. The Lot 80 Property Transfer shall be for the purchase price of \$7.5 million. The net proceeds of the Lot 80 Sale will be used by the Debtors first to satisfy all Governmental Authority Lien Claims with respect to the Lot 80 Property, and secondly towards payment of the Secured Lender Settlement Amount. To the extent there are remaining proceeds from the Lot 80 Sale after those distributions, they will be used as provided for in the Plan and Plan Support Agreement. On the Effective Date and following the Lot 80 Sale and ~~Distribution of the Secured Lender Settlement Amount~~the aforementioned Distributions, the Debtor TM will be dissolved.

4. The CCRE Refinancing.

After the Confirmation Date and prior to the Effective Date, the ~~reorganized~~-Debtors RVP, AET and EB, ~~either~~ directly or through a nominee of and/or successor in interest to the Debtors, shall enter into a new consolidated mortgage loan on Lots 1, 3 & 5 with CCRE, which will be the exit lender under the Plan ~~and to fund Plan Support Agreement~~. The gross proceeds of the CCRE Refinancing will be approximately \$8 million, which shall be used by the Debtors ~~as provided under the~~first to satisfy all Governmental Authority Lien Claims with respect to the RVP Property, and secondly towards payment of the Secured Lender Settlement Amount. To the

extent there are remaining proceeds from the CCRE Refinancing after those distributions, they will be used as provided for in the Plan and Plan Support Agreement. Following the closing on the CCRE Refinancing and the Effective Date, CCRE will be the sole secured lender on the RVP Property and the Secured Lender shall have no further Claims against the RVP Property. On the Effective Date and following the CCRE Refinancing and the aforementioned Distributions, the Debtors RVP, AET and EB will be reorganized.

5. Partner Contribution.

The balance of the funds not realized from the Lot 80 Sale and the CCRE Refinancing required to satisfy the Plan Support Agreement and other Plan funding requirements shall be satisfied by contributions from the Partners. The Plan Support Agreement provides that the Debtors' Partners will post a deposit of \$600,000 deposit (the "Deposit") to pay any deficiency between the net amounts generated from the Lot 80 Sale and the CCRE Refinancing and the Secured Lender Settlement ~~Payment~~Amount. Any additional amount required to fully fund the Plan Support Agreement and other ~~Plan~~-payment requirements under the Plan on the Effective Date shall be paid by the Debtors' Partners and principals of the Debtors.

6. Execution of Documents.

As further detailed in the Plan and the Plan Support Agreement, following confirmation of the Plan, the Debtors, and any necessary party thereto, shall execute, release, and deliver all documents reasonably necessary to consummate the transactions contemplated by the terms and conditions of the Plan.

7. Filing of Documents.

Pursuant to sections 105, 1141(c) and 1142(b) of the Bankruptcy Code, each and every federal, state and local governmental agency or department shall be directed to accept and record

any and all documents and instruments necessary, useful or appropriate to effectuate, implement and consummate the transactions contemplated by the Plan, and any and all notices of satisfaction, release, discharge or assignment of any Lien, Claim or encumbrance not expressly preserved by the Plan.

8. Manner of Payment.

Any payment of Cash under the Plan may be made either by check drawn on a domestic bank, by wire transfer, or by automated clearing house transfer from a domestic bank, at the option of the Disbursing Agent.

9. Tax and Withholding Requirements.

The Disbursing Agent, in making Distributions under the Plan, shall comply with applicable tax withholding and reporting requirements imposed by any governmental unit, and all Distributions made pursuant to the Plan shall be subject to such withholding and reporting requirements. The Disbursing Agent may withhold the entire Distribution due to any holder of an Allowed Claim until such time as such holder provides the Disbursing Agent with the necessary information to comply with any reporting and withholding requirements of any governmental unit. Any funds so withheld will then be paid by the Disbursing Agent to the appropriate authority. If the holder of an Allowed Claim fails to provide to the Disbursing Agent the information necessary to comply with any reporting and withholding requirements of any governmental unit within thirty (30) days from the date of first notification by the Disbursing Agent to the holder of such Allowed Claim about the need for such information or for the Cash necessary to comply with any applicable withholding requirements, then such holder's Distribution shall be treated as unclaimed property in accordance with section 7.7 of the Plan.

10. **Rights and Obligations of the Disbursing Agent.**

a. Powers of the Disbursing Agent.

The Disbursing Agent shall be empowered to (i) take all steps and execute all instruments and documents necessary to effectuate the disbursements to be made under the Plan; (ii) make Distributions contemplated by the Plan; (iii) comply with the Plan and the obligations thereunder; (iv) employ, retain, or replace professionals to represent it with respect to its responsibilities; and (v) exercise such other powers as may be vested in it pursuant to order of the Court or pursuant to the Plan, or as it reasonably deems to be necessary and proper to carry out the provisions of the Plan.

b. Duties of the Disbursing Agent.

The Disbursing Agent shall have the duties of carrying out the disbursements under the Plan, which shall include taking or not taking any action which the Disbursing Agent deems to be in furtherance thereof, including, from the date of its appointment, making payments and conveyances and effecting other transfers necessary in furtherance of the Plan. The Disbursing Agent shall not be required to post a bond. After the Effective Date ~~and on each year following a pro rata Distribution on account of the Class 4 Claims,~~ on a quarterly basis, the Disbursing Agent shall file with the Bankruptcy Court and submit to the United States Trustee declarations concerning disbursements of the ~~debtors, as appropriate,~~ Debtors until the Chapter 11 Cases are closed, converted or dismissed, whichever happens earlier. The Disbursing Agent will file with the Bankruptcy Court and submit to the United States Trustee, within 14 days of the full administration of the Chapter 11 Cases, the closing report required by the provisions of Rule 3022-1 of the Local Bankruptcy Rules for the Eastern District of New York, and file with the Bankruptcy Court a motion for final decree closing the Chapter 11 Cases.

D. Releases

1. Releases by the Debtors.

The Plan provides for releases by the Debtors and the Individual Guarantors of the Secured Lender upon approval of the Plan Support Agreement, confirmation and consummation of the Plan.

2. Releases by Secured Lender

The Plan provides for releases by the Secured Lender of the Debtors and the Individual Guarantors upon approval of the Plan Support Agreement, confirmation and consummation of the Plan, and receipt of the Secured Lender Settlement Amount on or before the Target Date.

E. Consideration Being Paid to Insiders Incident to the Plan.

The Debtor's Insiders are not receiving any Distribution under the Plan. The Plan Support Agreement contains provision governing the release of the Individual Guarantors from the Guaranties.

F. Distributions Under the Plan

1. Distributions for Claims Allowed as of the Effective Date.

Except as otherwise provided in the Plan, the Plan Support Agreement, or as ordered by the Bankruptcy Court, Distributions to be made on account of Claims that are Allowed Claims as of the Effective Date shall be made on the Effective Date or as soon thereafter as is practicable. Any Distribution to be made on the Effective Date pursuant to the Plan shall be deemed as having been made on the Effective Date if such distribution is made on the Effective Date or as soon thereafter as is practicable. Any payment or Distribution required to be made under the

Plan on a day other than a Business Day shall be made on the next succeeding Business Day. The Disbursing Agent shall make all Distributions required to be made under the Plan.

2. Delivery of Distributions.

Subject to Bankruptcy Rule 9010, Distributions to an holder of an Allowed Claim shall be made at the address set forth on the Schedules filed with the Bankruptcy Court or on the books and records of the Debtors or its agents, unless the Debtors have been notified in writing of a change of address, including by the filing of a proof of claim or Administrative Claim request that contains an address for a holder of a Claim different from the address for such holder reflected on any Schedule. The Debtors shall notify the Disbursing Agent of any such change of address.

3. Reserves for Disputed Administrative, Priority Tax and Other Priority Claims.

On the Effective Date, or as soon as practicable thereafter, the Disbursing Agent shall establish and maintain a reserve from Cash in the Plan Funding Account in an amount equal to the sum of: (i) all Disputed Administrative Claims, Disputed Cure Amounts, Disputed Priority Tax Claims and Disputed Other Priority Claims, if any, in an amount equal to what would be distributed to other holders of Disputed Administrative Claims, Disputed Priority Tax Claims, Disputed Other Priority Claim, and Disputed Cure Amounts if their Disputed Claims had been deemed Allowed Claim on the Effective Date or on the Administrative Claims Bar Date or such other amount as may be approved by the Bankruptcy Court upon motion of the Debtors; (ii) an estimated amount for unpaid Professional Fee Claims and any other Administrative Claims that have not been filed as of the Effective Date, such amount to be agreed upon by the Debtors, or such other amount as may be fixed by the Bankruptcy Court (together, the "Disputed Claim

Reserve”). Any such funds shall be maintained by the Disbursing Agent in the Plan Funding Account. For purposes of establishing a reserve for Disputed Classified Claim, Cash will be set aside in an amount equal to the amount that would have been distributed to the holders of Disputed Classified Claims had their Disputed Claims been deemed Allowed Claims on the Effective Date or in such other amount as may be approved by the Bankruptcy Court upon motion of the Debtors. With respect to such Disputed Claims, if, when, and to the extent any such Disputed Claim becomes an Allowed Claim by Final Order, the relevant portion of the Cash held in reserve therefore shall be distributed by the Disbursing Agent to the Claimant in a manner consistent with distributions to similarly situated Allowed Claims. The balance of such Cash, if any, remaining after all Professional Fee Claims, Disputed Administrative Claims, Disputed Cure Amounts, Disputed Priority Tax Claims and Disputed Other Priority Claims have been resolved and distributions made in accordance with the Plan, shall be released and distributed promptly to the Debtors. No payments or distributions shall be made with respect to a Claim that is a Disputed Claim pending the resolution of the dispute by Final Order or agreement of the parties.

4. Claims Objection Deadline.

Objections to Claims shall be filed no later than thirty (30) days after (i) the Effective Date (the “Objection Deadline”); and (ii) the date the Claim is timely filed. The Objection Deadline may be extended by the Bankruptcy Court upon the submission by the Debtors, without notice or a hearing, for up to an additional ninety (90) days thereafter.

5. Settlement of Disputed Claims.

Objections to Claims may be litigated to judgment or withdrawn, and may be settled with the approval of the Bankruptcy Court, except to the extent such approval is not necessary as

provided in this section. After the Effective Date and subject to the terms of this Plan, any Disputed Claim in an amount less than \$100,000 may be settled by notice of presentment of an order- with an opportunity to object, to the Bankruptcy Court pursuant to Local Bankruptcy Rule 9072-1 of the Eastern District of New York.

6. Unclaimed Property.

If an Distribution remains unclaimed for a period of one hundred and twenty (120) days after it has been delivered (or attempted to be delivered) in accordance with the Plan to the holder of such Allowed Claim, such unclaimed property shall be forfeited by such holder, whereupon all right, title and interest in and to the unclaimed property shall be held in reserve by the Disbursing Agent to be distributed to the Debtors as soon as reasonably practicable.

7. Set-Offs.

The Debtors may, but shall not be required to, set-off against the Distributions to be made pursuant to the Plan the claims, obligations, rights, causes of action and liabilities of any nature that the Debtors may hold against the holder of an Allowed Claim other than the Secured Lender; provided, however, that in the event the Debtors intend to set-off against the holder of an Allowed Claim distributions to be made under the Plan, the Debtors shall notify such holder in writing within thirty (30) days of the Effective Date and such holder shall have twenty-one (21) days to file (and serve on counsel to the Debtors) an objection (a "Set-Off Objection"). Any Set-Off Objection shall be heard by the Bankruptcy Court no earlier than twenty (20) days after the Set-Off Objection is filed, to the extent not resolved previously. Any such holder that fails to timely file a Set-Off Objection will be deemed to have assented to, and will forever be barred from contesting any such set-off.

8. Release of Liens.

On the Effective Date and except as expressly set forth in the Plan or pursuant to the Plan Support Agreement, all Pre-Petition mortgages, deeds of trust, Liens or other security interest or encumbrances against the Lot 80 Property and the RVP Property, shall be released and forever discharged.

9. Fractional Cents.

Any other provisions of the Plan to the contrary notwithstanding, no payment of fractions of cents will be made. Whenever any payment of a fraction of a cent would otherwise be called for, the actual payment shall reflect a rounding down of such fraction to the nearest whole cent.

10. Payments of Less than Twenty-Five Dollars.

If a cash payment otherwise provided for by the Plan with respect to an Allowed Claim would be less than twenty-five (\$25.00) dollars (whether in the aggregate or on any payment date provided in the Plan), notwithstanding any contrary provision of the Plan, the Debtors and/or the Disbursing Agent shall not be required to make such payment.

G. Unexpired Leases and Executory Contracts

1. Assumption and Rejection of Agreements

a) Any and all pre-petition leases or executory contracts (the "Leases"), set forth on Exhibit A to the Plan, not previously assumed or the subject of a motion to assume pending the Confirmation Date, shall be assumed by the reorganized Debtors RVP, AET and EB on the Effective Date and such Leases shall be incorporated into the CCRE Refinancing.

b) All counterparties to the Leases shall file with the Bankruptcy Court, and serve on the Debtors, objections, if any, to the reorganized Debtors' assumption of the Leases, and include in such objections any dispute as to the amount asserted by the Debtors in Exhibit A

to the Plan as the cure amounts, if any, due thereunder (the “Cure Amount”). Such objection shall be filed no later than seven (7) days subsequent to the Confirmation Date. Any undisputed Cure Amounts (“Undisputed Cure Amounts”) shall be paid as soon as practicable following the Effective Date of the Plan, and any disputed Cure Amounts (“Disputed Cure Amounts”) shall be paid upon the agreement of the parties or further order of the Bankruptcy Court.

H. Conditions to Confirmation and the Effective Date

1. Conditions to Confirmation of the Plan.

The Plan shall not be confirmed unless and until the following conditions have been satisfied in full or waived by the Secured Lender, pursuant to the express terms set forth in the Plan Support Agreement.

a) On or before March 7, 2014, Debtors’ Partners shall have paid to Secured Lender the Fee and Expense Deposit required pursuant to § 5(a) of the Plan Support Agreement;

b) On or before March 14, 2014, each of the Individual Guarantors shall have provided Secured Lender with the revised personal financial statements required pursuant to § 5(b) of the Plan Support Agreement;

c) On or before March 14, 2014, Joseph Noce shall have provided Secured Lender with copies of the personal income tax returns of his and his spouse required pursuant to § 5(c) of the Plan Support Agreement;

d) On or before March 31, 2014, the Debtors shall have executed and delivered to Reed Smith LLP (“**Reed Smith**”), as counsel for the Secured Lender, the deeds *in lieu* of foreclosure, together with customary transfer documents, as required by § 5(g) of the Plan

Support Agreement to be held in escrow by Reed Smith in accordance with the terms of the Plan Support Agreement;

e) On or before March 22, 2014, the Debtors shall have delivered to Reed Smith (i) the termination of the *Lis Pendens* filed against Lot 80, with prejudice, and (ii) a deed *in lieu* of foreclosure for Lot 80 in favor of COBA, Inc., together with customary transfer documents, as required by § 5(k) of the Plan Support Agreement to be held in escrow by Reed Smith in accordance with the terms of the Plan Support Agreement;

f) On or before April 10, 2014, Noce shall have deposited in escrow with Reed Smith the sum required by § 5(d) of the Plan Support Agreement;

g) On or before April 4, 2014, the Bankruptcy Court shall have entered one or more orders that (i) authorize the Debtors to enter into the Plan Support Agreement, and (ii) schedule a hearing to consider confirmation of the Plan for a date that is not later than April 23, 2014;

h) Secured Lender has not given a written notice electing to terminate the Plan Support Agreement pursuant to § 9(b) of the Plan Support Agreement;

i) The Confirmation Order is in form and substance satisfactory to the Secured Lender, and such order shall approve all provisions, terms and conditions of the Plan, including but not limited to, the Plan Support Agreement and the transactions thereunder.

j) No material amendments, modifications, supplements or alterations shall have been made to the Plan or any document delivered in connection therewith, without the express written consent of the Secured Lender, which consent may be granted, withheld, or conditioned in its sole discretion.

2. Conditions to Effectiveness of the Plan.

The Plan shall not become effective unless the Confirmation Order is a Final Order and is not subject to any stay or injunction; provided, however, that the Court may shorten such period pursuant to Bankruptcy Rule 3020(e).

3. Time of the Essence to the Target Date.

a) If the Effective Date has not occurred on or before the Target Date, the Plan shall be null and void and of no effect.

b) Notwithstanding section 9.3(a) of the Plan, the Debtors may, with the written consent of the Secured Lender which may be withheld for any reason, extend the Target Date to a date not later than May 2, 2014.

4. Notice of the Effective Date; Actions Taken on Effective Date.

The Debtors shall file and serve upon all creditors a notice of the occurrence of the Effective Date within two (2) Business Days thereafter.

I. Retention of Jurisdiction

1. Jurisdiction.

On or after the Confirmation Date and until such time as all payments and distribution required to be made and all other obligations required to be performed under the Plan have been made and performed by the Debtors, the Disbursing Agent or the Secured Lender, as the case may be, the Bankruptcy Court shall retain jurisdiction as is legally permissible, including, without limitation, for the following purposes:

a. Claims.

To determine the allowance, extent, classification, or priority of Claims against the Debtors upon objection by the Debtors or the Secured Lender;

b. Injunctions, etc.

To issue injunctions or take such other actions or make such other orders as may be necessary or appropriate to restrain interference with the Plan or its execution or implementation by any Person, to construe and to take any other action to enforce and execute the Plan, the Confirmation Order, or any other order of the Bankruptcy Court, to issue such orders as may be necessary for the implementation, executions, performance and consummation of the Plan and all matters referred to herein, and to determine all matters that may be pending before the Bankruptcy Court in the Chapter 11 Cases on or before the Effective Date with respect to any Person or Entity;

c. Professional Fees.

To determine any and all applications for allowance of compensation and expense reimbursement of Professionals for periods before the Effective Date, and objections thereto, as provided for in the Plan;

d. Certain Priority Claims.

To determine the allowance, extent and classification of any Priority Tax Claims, Other Priority Claims, Administrative Claims or any request for payment of an Administrative Claim;

e. Dispute Resolution.

To resolve any dispute arising under or related to the implementation, execution, consummation or interpretation of the Plan and/or Confirmation Order and the making of Distributions under the Plan and/or Confirmation Order;

f. Executory Contracts and Unexpired Leases.

To determine any and all motions for the rejection, assumption, or assignment of the Leases or to determine any and all disputes relating to Cure Amounts;

g. Actions.

To determine all applications, motions, adversary proceedings, contested matters, actions, and any other litigated matters instituted (either before or after the Effective Date) in the Chapter 11 Cases by or on behalf of the Debtors;

h. General Matters.

To determine such other matters, and for such other purposes as may be provided in the Confirmation Order or as may be authorized under provisions of the Bankruptcy Code or other applicable law;

i. Plan Modification.

To modify the Plan under section 1127 of the Bankruptcy Code, remedy any defect, cure any omission, or reconcile any inconsistency in the Plan, the Plan Support Agreement or the Confirmation Order so as to carry out its intent and purposes;

j. Aid Consummation.

To issue such orders in aid of the consummation of the Plan, the Plan Support Agreement and the Confirmation Order notwithstanding any otherwise applicable non-bankruptcy law, with respect to any Person or Entity, to the full extent authorized by the Bankruptcy Code;

k. Protect the Property.

To protect the Lot 80 Property and the RVP Property from adverse Claims or Liens or interference inconsistent with the Plan or the Plan Support Agreement, including to hear actions to quiet or otherwise clear title to the Lot 80 Property and the RVP Property based upon the terms and provisions of the Plan and the Plan Support Agreement;

l. Abandonment of Property.

To hear and determine matters pertaining to abandonment of property of the Estates;

m. Implementation of Confirmation Order.

To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated; [and](#)

n. Final Order.

To enter a final order closing the Chapter 11 Cases.

J. Miscellaneous Provisions

1. Pre-Confirmation Modification.

On notice and opportunity to be heard by the United States Trustee, the Plan may be altered, amended or modified by the Debtors or the Secured Lender before the Confirmation Date as provided in section 1127 of the Bankruptcy Code.

2. Post-Confirmation Immaterial Modification.

With the approval of the Bankruptcy Court and on notice to and an opportunity to be heard by the United States Trustee and without notice to holders of Claims and Equity Interests, the Debtors or the Secured Lender, insofar as it does not materially and adversely affect the interests of holders of Claims, may correct any defect, omission or inconsistency in the Plan in such manner and to such extent as may be necessary to expedite consummation of the Plan.

3. Post-Confirmation Material Modification.

The Plan may be altered or amended after the Confirmation Date by the Secured Lender in a manner which, in the opinion of the Bankruptcy Court, materially and adversely affects holders of Claims, provided that such alteration or modification is made after notice and a hearing and otherwise, meets the requirements of section 1127 of the Bankruptcy Code.

4. Withdrawal or Revocation of the Plan.

If the Debtors and the Secured Lender jointly revoke or withdraw the Plan, or if confirmation or consummation of the Plan does not occur, then (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the allowance, fixing or limiting to an amount certain any Claim or Equity Interest or Class of Claims or Equity Interests) and any assumption or rejection of the Leases affected by the Plan shall terminate and be of no further force or effect, and any document or agreement executed pursuant to the Plan, including the Plan Support Agreement, shall be deemed null and void, and (c) nothing contained in the Plan shall constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtors or any other Person, or prejudice in any manner the rights of any other Person. Notwithstanding anything to the contrary herein, the Debtors shall not be permitted to withdraw the Plan without the express written consent of the Secured Lender.

5. Payment of Statutory Fees.

The Disbursing Agent shall pay from the Plan Funding Account all fees payable due as of the Effective Date pursuant to Section 1930 of Title 28 of the United States Code. Thereafter, the Disbursing Agent shall pay from the Plan Funding Account all United States Trustee quarterly fees under 28 U.S.C. § 1930(a)(6), plus interest due under 31 U.S.C. § 3717, on all disbursements, including plan payments and disbursements in and outside of the ordinary course of business, until the earliest of the entry of a final decree closing the Chapter 11 Cases, dismissal of the Chapter 11 Cases, or conversion of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code.

6. Successors and Assigns.

The rights, benefits and obligations of any Person or Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, the heirs, executors, administrators, successors and/or assigns of such Person or Entities.

7. Confirmation Injunction.

Other than such liabilities and obligations otherwise assumed or provided in the Plan Support Agreement, the Plan, and as set forth in the Confirmation Order, (a) the rights afforded under the Plan and the treatment of all Claims and Equity Interests herein shall be in exchange for, and in complete satisfaction and release of, all Claims and Equity Interests of any nature whatsoever, including any interest accrued on Claims from and after the Petition Date, against the Debtors or any of their assets and properties, (b) on the Effective Date, all such Claims against the Debtors shall be satisfied and released in full, and (c) all Persons shall be precluded from asserting and shall be permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively, or otherwise) against the Debtors, their assets or properties, based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date.

8. Comprehensive Settlement of Claims and Controversies.

Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all claims or controversies relating to the rights that a holder of a Claim or Equity Interest may have with respect to any Allowed Claim or Allowed Equity Interest or any Distribution to be made pursuant to the Plan on account of any Allowed Claim or Allowed Equity Interest. The entry of

the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or causes of action for (a) the Debtors and their Estates, including, without limitation any Person or Entity seeking to exercise a right in a derivative capacity on behalf of the Estates; and (b) the Released Parties, and the Bankruptcy Court's finding that such compromise or settlement is in the best interest of the Debtors, their Estates, their properties and Claim holders and Equity Interest holders, and is fair, equitable and reasonable. For the avoidance of doubt, the compromise and settlement of all claims and causes of action of the Debtors and their Estates as set forth herein shall include any potential avoidance actions accruing to the Debtors or their Estates, which shall not be pursued.

9. Preservation of Insurance.

The Plan shall not diminish or impair the enforceability of any insurance policy, right or claim that may cover Claims against the Debtors (including, without limitation, its members, managers or officers) or any other persons or entity. Likewise, the Plan and Confirmation Order shall not impair any insurance carrier's rights, claims, defenses or disputes under any policy and shall not act to increase or extend any rights of the Debtors or their carriers.

10. Cramdown.

The Debtors are not pursuing a cramdown of the Plan. The Debtors reserve the right to request confirmation of the Plan under section 1129(b) of the Bankruptcy Code with respect to any Class of Claims or Equity Interests that rejects, or is deemed to have rejected, the Plan.

11. Filing of Additional Documents.

Except as otherwise provided in the Plan, on or before the Effective Date, the Debtors may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, and the

Debtors shall be responsible for the preparation and filing of any reports necessary until entry of a final decree.

12. Governing Law.

Except to the extent that the Bankruptcy Code is applicable, the rights and obligations arising under the Plan shall be governed by and construed and enforced in accordance with the laws of the State of New York.

13. Notices.

Any notice required or permitted to be provided under the Plan shall be in writing and served by either (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery, or (c) reputable overnight courier service, freight prepaid, to be addressed as follows.

If to the Debtors: John Noce
3700 Richmond Avenue
Staten Island, NY 10312
Email: noceconstruction@aol.com

With a copy: Fox Rothschild LLP
100 Park Avenue, Suite 1500
New York, NY 10017
Attention: Yann Geron, Esq.
Tel: 212-878-7900
Email: ygeron@foxrothschild.com

If to the Senior Lender: Kendall Jones
T.D. Bank, N.A.
1701 Route 70 East
Cherry Hill, NJ 08034
Email: kendall.jones@tdbank.com

With a copy to: Reed Smith LLP
599 Lexington Avenue
New York, NY 10022
Attention: Michael Venditto, Esq.
Tel: 212-521-5400
Email: mvenditto@reedsmith.com

14. Saturday, Sunday or Legal Holiday.

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

15. Exemption from Transfer and Recording Taxes.

a) The principal purpose of the Plan is to effectuate a consensual resolution of all disputes between the parties and to facilitate a distribution to creditors who would otherwise remain unpaid. As discussed above, the Plan embodies the terms of resolution under the Plan Support Agreement, pursuant to which the Debtor TM, prior to the Effective Date, will transfer, assign and convey the Lot 80 Property pursuant to the Lot 80 Sale to the Buyer Designee. The Lot 80 Property Transfer will result in the settlement of the Foreclosure Action on the Lot 80 Property and the net proceeds of such sale ~~-, [after satisfaction at closing of the Governmental Authority Lien Claims on the Lot 80 Property](#)~~, will be paid on account of the Secured Creditor Settlement Amount. In addition, on or about the Effective Date, the Debtors RVP, AET and EB, either directly or through a nominee of and/or successor in interest to the Debtors, will enter into a consolidated mortgage loan agreement with CCRE, the net proceeds of which ~~-, [after satisfaction at closing of the Governmental Authority Lien Claims with respect to the RVP Property](#)~~, will also be paid on account of the Secured Creditor Settlement Amount. Accordingly, the principal purpose of the Plan is not the avoidance of taxes. It is appropriate therefore that section 11.14 of the Plan provides that, pursuant to section 1146(a) of the Bankruptcy Code, the Lot 80 Property Transfer, the CCRE Refinancing and any other payments and transfers made pursuant to the Plan by the Debtors RVP, AET and EB, either directly or

through a nominee of and/or successor in interest to the Debtors, including but not limited to, the delivery of deeds, bills of sale or other transfers of tangible property, and the recording of any mortgages, are each exempt from and will not be subject to any transfer tax, mortgage recording or other similar tax.

b) Pursuant to Section 1146(a) of the Bankruptcy Code: (i) the issuance, transfer, or exchange of notes or equity securities under the Plan; (ii) the creation of any mortgage, deed of trust, lien, pledge, or other security interest; (iii) the making or assignment of any contract, lease or sublease; or (iv) the making or delivery of any deed or other instrument of transfer or other consideration under, in furtherance of, or in connection with the Plan, including, without limitation, (a) the Lot 80 Property Transfer and any other payments and transfers pursuant to the Plan by the Debtors, either directly or through a nominee of and/or successor in interest to the Debtors, delivery of deeds, bills of sale, or other transfers of tangible property, are exempt from and will not be subject to any stamp tax, or other similar tax or any tax held to be a stamp tax or other similar tax by applicable law, and (b) the CCRE Refinancing, is exempt from and will not be subject to any mortgage recording tax, or other similar tax imposed by applicable law.

c) All filing officers (including, without limitation, the Register of the City of New York) shall be, and hereby are directed to: (i) accept for recording and record, any and all deeds and other documents evidencing and/or relating to the Lot 80 Property Transfer and the CCRE Refinancing, which are presented to them for recording, immediately upon presentation thereof, with regard to the transactions effectuated pursuant to the Plan, without the payment of any New York State Real Estate Transfer Tax imposed under Article 31 of the New York State Tax Law, any New York City Real Property Transfer Taxes under section 11-2102 of

the New York City Administrative Code, any mortgage recording tax or any other tax within the purview of section 1146(a) of the Bankruptcy Code, and without the requirement of presentation of any affidavit or form with respect to any tax imposed under Article 31 of the New York State Tax Law, any New York City Real Property Transfer Tax under section 11-2102 of the New York City Administrative Code with respect to the transactions effectuated pursuant to the Plan; ~~and (ii) cancel and discharge of all liens, encumbrances, claims and other adverse interests in or against the Lot 80 Property and the RVP Property except for any Permitted Exceptions, which shall not be canceled and shall continue and remain in full force and effect following the Effective Date.~~

d) All governmental authorities and other taxing authorities shall be permanently enjoined from the commencement or continuation of any action to collect from the Lot 80 Property, the RVP Property, the Debtors, either directly or through a nominee of and/or successor in interest to the Debtors, CCRE, the Secured Lender and the Buyer Designee, any taxes from which the transactions effectuated pursuant to the plan are exempt, pursuant to and in furtherance of section 1146(a) of the Bankruptcy Code, including but not limited to, New York Real Estate Transfer Taxes, New York City Real Property Transfer Taxes, and applicable mortgage recording tax, and any penalties, interest, or additions to any tax ~~related thereto~~ prescribed under section 1146(a) of the Bankruptcy Code.

e) The New York County Register's office shall record the deed of the Lot 80 Property, and other similar conveyance or lien documents required to be delivered under the Plan, including those documents required for the CCRE Refinancing, without the payment of any stamp tax, transfer tax, or similar tax, and without the presentation of affidavits,

instruments or returns otherwise required for recording or filing pursuant to section 1146(a) of the Bankruptcy Code.

16. Severability.

If any term or provision of the Plan is held by the Bankruptcy Court prior to or at the time of Confirmation to be invalid, void or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as so altered or interpreted. In the event of any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan may, at the option of the Secured Lender, remain in full force and effect and not be deemed affected. However, the Secured Lender reserves the right not to proceed to Confirmation or consummation of the Plan if any such ruling occurs. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

17. Extinguishment of Causes of Action under the Avoiding Power Provisions.

On the Effective Date, all rights, claims, causes of action, avoiding powers, suits and proceedings arising under section 506(c), 544, 545, 547, 548, 549 and 553 of the Bankruptcy Code shall be extinguished unless then pending. Except as to the extent released in the Plan or order of the Bankruptcy Court, the Debtors shall have, retain, reserve, and be entitled to assert all other Claims, causes of action, rights of setoff and other legal or equitable defenses which the Debtors have immediately prior to the Petition Date as fully as if the Chapter 11 Cases had not

been commenced; and any of the Debtors' legal and equitable rights respecting any such Claim which is not specifically waived, extinguished or relinquished by the Plan or order of the Bankruptcy Court may be asserted after the Effective Date to the same extent as if the Chapter 11 Cases had not been commenced.

18. Post-Confirmation Date Service List.

From and after the Confirmation Date, all notices of appearance and demands for service of process filed with the Court prior to such date shall no longer be effective. No further notices, other than notice of entry of the Confirmation Order shall be required to be sent to such Entities.

VIII. CONFIRMATION PROCEDURE

Under the Bankruptcy Code, the following steps must be taken to confirm the Plan:

A. Solicitation of Votes

Chapter 11 of the Bankruptcy Code provides that, in order for the Bankruptcy Court to confirm the Plan as a consensual plan, the holders of the Impaired Claims against, and Impaired Interests in, the Debtors that are entitled to vote must accept the Plan. An Impaired Class of Claims will have accepted the Plan if (i) the holders of at least two-thirds in amount of the Allowed Claims actually voting in the Class have voted to accept the Plan and (ii) the holders of more than one-half of the Allowed Claims actually voting in the Class have voted to accept the Plan, not counting the vote of any holder designated under section 1126(e) of the Bankruptcy Code or any Insider. A vote may be disregarded if the Court determines, after notice and a hearing, that acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Code. Any creditor in an impaired Class (i) whose Claim has been listed by the Debtors in the Debtors' Schedules filed with the Court (provided that such Claim has not been scheduled as Disputed, contingent or unliquidated) or (ii) who filed a proof of

Claim on or before the Bar Date (or, if not filed by such date, any proof of Claim filed within any other applicable period of limitations or with leave of the Court), which Claim is not the subject of an objection or request for estimation, is entitled to vote. In this case, in accordance with Sections 1126 and 1129 of the Bankruptcy Code, the Claims in Classes 3 and 4 of the Plan are impaired and are entitled to vote to accept or reject the Plan.

In contrast, the holders of Allowed Claims in the unimpaired Classes are conclusively presumed to have accepted the Plan and the solicitation of acceptances with respect to such Classes therefore is not required under section 1126(f) of the Bankruptcy Code. Here, the Claims in Classes 1, 2 and 5 are unimpaired and are therefore, not entitled to vote on the Plan.

B. The Confirmation Hearing

The Bankruptcy Code requires the Court, after notice, to hold a confirmation hearing. The Confirmation Hearing in respect of the Plan has been scheduled for April 23, 2014, at 2:15 p.m. Prevailing Eastern Time, before the Honorable Carla E. Craig, Chief United States Bankruptcy Judge, at the Bankruptcy Court for the Eastern District of New York, Conrad B. Duberstein Courthouse, 271 Cadman Plaza East, Courtroom #3529, Brooklyn, New York 11201. The Confirmation Hearing may be adjourned from time to time by the Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing. Any objection to Confirmation must be made in writing and specify in detail the name and address of the objector, all grounds for the objection and the amount of the Claim or number of shares of common stock of the Debtors held by the objector. Any such objection must be filed with the Court and served so that it is received by the Court and the following parties on or before April 16, 2014 at 5:00 p.m. Prevailing Eastern Time, by: (i) the attorneys for the Debtors, Fox Rothschild LLP, 100 Park Avenue, 15th Floor, New York, New York, Attn: Yann Geron,

Esq.; (ii) the attorneys for the Secured Lender, Reed Smith LLP, 599 Lexington Avenue, New York, New York 10022, Attn: Michael Venditto, Esq.; and (iii) the Office of the United States Trustee, 201 Varick Street, Room 1006, New York, New York 10014. Objections to Confirmation of the Plan are governed by Bankruptcy Rule 9014 and orders of the Bankruptcy Court.

C. Confirmation

At the Confirmation Hearing, the Court will confirm the Plan only if all of the requirements of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation of the Plan are that the Plan is (i) accepted by all impaired Classes of Claims and Equity Interests or, if rejected by an impaired Class, that the Plan “does not discriminate unfairly” and is “fair and equitable” as to such Class, (ii) feasible and (iii) in the “best interests” of creditors and stockholders that are impaired under the Plan.

1. Acceptance

Classes 3 and 4 of the Plan are impaired under the Plan. Classes 1, 2 and 5 of the Plan are unimpaired and, therefore, are conclusively presumed to have voted to accept the Plan. In order to approve the Plan, the Debtors will need to certify that they have received ballots from the members of Classes 3 and 4 voting to accept the Plan. With respect to Class 3, the Secured Lender has agreed, pursuant to the Plan Support Agreement, to vote to accept the Plan. Therefore, the Debtors require that: (i) the holders of at least two-thirds in amount of the Allowed Claims actually voting in Class 4 have voted to accept the Plan; and (ii) the holders of more than one-half of the Allowed Claims actually voting in Class 4 have voted to accept the Plan, for the Plan to be confirmed.

2. Feasibility

The Bankruptcy Code requires a plan proponent to demonstrate that confirmation of a plan of reorganization is not likely to be followed by the liquidation or the need for further financial reorganization of a debtor unless so provided by the plan of reorganization. Here, the Plan contemplates the liquidation and dissolution of the Debtor TM after the sale of the Lot 80 Property and that the Debtors RVP, AET and EB will be reorganized as a result of the CCRE Refinancing and the partner contributions, which together will satisfy the majority of the Plan Funding. At the Confirmation Hearing, the Debtors will demonstrate to the Court that each of the financial components necessary to fund the Plan are in prospect and will occur upon the Effective Date.

3. Best Interests Test

With respect to each impaired Class of Claims and Equity Interests, confirmation of the Plan requires that each holder of an Allowed Claim or Equity Interest either (i) accept the Plan or (ii) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. The Plan, as proposed by the Debtors is in the best interests of the Debtors' creditors because the only one alternative would be for the Debtors to engage in extensive and risky litigation with the Secured Lender which could well lead to the foreclosure and distressed sale of both the Lot 80 Property and the RVP Property, which would not result in a greater Distribution to creditors than that which is provided for in the Plan. In fact, in that scenario, the Secured Lender would likely be the only creditors to realize a recovery on its Claim. Moreover, if the Debtors' Chapter 11 Cases were converted to ones under chapter 7 of the Bankruptcy Code, then the Secured Creditor would likely look to liquidate its liens in the

Debtors' properties and, because the Debtors do not have any unencumbered property and because of the magnitude of the Secured Lender's Allowed Claim, the Trustee would be unlikely to recover any funds for the benefit of unsecured creditors. Moreover, liquidation under Chapter 7 would add an additional layer of administrative claims and expenses. All such administrative expenses and priority claims would be paid in full from any proceeds generated by the Chapter 7 trustee before the balance of those proceeds would be made available to pay pre-petition Claims.

The Plan, as proposed by the Debtors herein, is in the best interests of each impaired Class because the present value of the proposed Distributions on or after the Effective Date maximizes the recoveries each Class might receive and that recovery is more than the impaired Classes would receive under a straight liquidation, and "forced sale" of all of the Debtors' assets.

IX. CERTAIN RISK FACTORS TO BE CONSIDERED

HOLDERS OF CLAIMS AGAINST THE DEBTORS AND INTERESTS IN THE DEBTORS SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH BELOW AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT (AND THE DOCUMENTS DELIVERED TOGETHER HERewith AND/OR INCORPORATED BY REFERENCE), PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN. THESE RISK FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

The Plan provides for distributions to be made to the Secured Lender under the Plan Support Agreement in Class 3, and to Allowed Claims general, unsecured creditors in Class 4,

definitively before the Target Date. Although the Debtors will have the financial wherewithal to make such distributions, such contribution remains subject to the conditions scheduled to occur on or before the Effective Date and, most notably, approval of the Plan Support Agreement.

A. Certain Bankruptcy Law Considerations

1. Risk of Non-Confirmation of the Plan

Although the Debtors believe that the Plan will satisfy all requirements necessary for confirmation by the Court, there can be no assurance that the Court will reach the same conclusion. Moreover, there can be no assurance that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate the re-solicitation of votes.

2. Risk of Non-Occurrence of the Effective Date

Although the Proponents believe that all of the conditions to the Effective Date will occur after the entry of the Confirmation Order, there can be no assurance as to the timing of the Effective Date or that such conditions will ever occur.

3. Risk of Non-Occurrence of the Effective Date Prior to Target Date

In the event that the Effective Date does not occur prior to the Target Date, the Secured Lender will have certain rights under the Plan Support Agreement, which, if exercised, could result in a loss of the real property owned by the Debtors.

B. Certain Tax Matters

For a summary of certain federal income tax consequences of the Plan to holders of Claims and to the Debtors, see Article XI below, “Certain Federal Income Tax Consequences of The Plan.”

C. Additional Factors to be Considered

1. The Debtors Have No Duty to Update

The statements contained in this Disclosure Statement are made by the Proponents as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Proponents have no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

2. No Representations Outside This Disclosure Settlement Are Authorized

No representations concerning or related to the Debtors, the Chapter 11 Cases, the Plan or the Plan Support Agreement are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan other than as contained in, or included with, this Disclosure Statement should not be relied upon by you in arriving at your decision.

3. Claims Could Be More Than Projected

Although the Bar Date for filing proofs of Claim will occur on April 7, 2014, the Debtors believe that their good faith estimates contained herein as to the total amount of Allowed Claims are reasonable, the Allowed amount of Claims in each class could be significantly more than projected, which in turn, could cause the value of Distributions to be reduced substantially or could exceed the proposed contributions to the Plan Funding Account, other than the Allowed Secured Claim, which is fixed by the Plan Support Agreement.

4. No Legal or Tax Advice is Provided to You By This Disclosure Statement

The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each holder of a Claim or Equity Interest should consult his, her, or its own legal counsel and accountant as to legal, tax and other matters concerning his, her, or its Claim or Equity Interest. This Disclosure Statement is not legal advice to you. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

5. No Admission Made

Prior to the approval of this Disclosure Statement, nothing contained herein shall constitute an admission of, or be deemed evidence of, the tax or other legal effects of the Plan on the Debtors or on holders of Claims or Equity Interests; provided, however, that upon approval of the this Disclosure Statement, nothing contained herein shall constitute an admission in any proceeding other than the Chapter 11 Cases.

X. SECURITIES LAWS MATTERS

The Plan does not contemplate the issuance of any securities.

XI. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion summarizes certain U.S. federal income tax consequences of the implementation of the Plan to the Debtors and holders of certain claims against the Debtors. This discussion does not address the U.S. federal income tax consequences of the implementation of the Plan to holders of claims that are entitled to reinstatement, unimpaired or otherwise entitled to payment in full in cash under the Plan.

The discussion of U.S. federal income tax consequences set forth below is based on the Internal Revenue Code of 1986, as amended (the “Tax Code”), U.S. Department of Treasury regulations promulgated or proposed thereunder, judicial authorities, published positions of the Internal Revenue Service (“IRS”) and other applicable authorities, all as in effect on the date of this document and all of which are subject to change or differing interpretations (possibly with retroactive effect). The U.S. federal income tax consequences of the contemplated transactions are complex and are subject to significant uncertainties. The Proponents have not requested a ruling from the IRS or any other tax authority, or an opinion of counsel, with respect to any of the tax aspects of the contemplated transactions, and the discussion below is not binding upon the IRS or such other authorities. Thus, no assurance can be given that the IRS or such other authorities would not assert, or that a court would not sustain, a different position from any discussed herein.

Except as specifically stated otherwise, this summary assumes that a holder holds a claim or an existing Equity Interest as a capital asset for U.S. federal income tax purposes. This summary does not address foreign, state or local tax consequences of the contemplated transactions, nor does it purport to address the U.S. federal income tax consequences of the transactions to special classes of taxpayers (*e.g.*, foreign persons or entities, small business investment companies, regulated investment companies, real estate investment trusts, banks and certain other financial institutions, insurance companies, tax-exempt organizations, holders that are, or hold claims or existing Equity Interests through, pass-through entities, persons whose functional currency is not the U.S. dollar, dealers in securities or foreign currency, and persons holding claims or existing Equity Interests as a

hedge against, or that is hedged against, currency risk or as part of a straddle, constructive sale or conversion transaction).

The discussion does not address U.S. federal taxes other than income taxes, nor does it apply to any person that acquires any of the consideration issued pursuant to the Plan through means other than directly participating in the exchange. If a partnership (or another entity that is treated as a partnership for U.S. federal income tax purposes) holds claims or existing Equity Interests, the tax treatment of a partner (or other equity owner) generally will depend upon the status of such partner (or other owner) and upon the activities of the partnership (or other entity). This discussion is based on currently available information regarding the Plan terms and may not reflect the actual terms of the Plan upon its implementation. The following summary of certain U.S. federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon the individual circumstances pertaining to a holder of claims or existing Equity Interests.

IRS Circular 230 Notice: To ensure compliance with IRS Circular 230, holders of Claims and existing Equity Interests are hereby notified that: (A) any discussion of U.S. federal tax issues contained or referred to in this Disclosure Statement is not intended or written to be used, and cannot be used, by such holders for the purpose of avoiding penalties that may be imposed on them under the Tax Code; (B) such discussion is written in connection with the promotion or marketing by the Debtors of the transactions or matters addressed herein; and (C) such holders should seek advice based on their particular circumstances from independent tax advisors.

A. Consequences to the Debtors

The Plan, as currently contemplated, may result in U.S. federal income tax consequences to the Debtors. The Plan, as currently contemplated, may result in income tax consequences to the Debtors' Equity Interest Holder(s) in connection with the liquidation of the Debtor TM and/or the refinancing of Debtors RVP, AET or EB. Such tax, if any, may flow to the Equity Holder(s) pursuant to the Debtors' status as limited liability companies or New York corporations.

B. Consequences to Claim Holders

A Claim holder that receives money or other property in discharge of a Claim for interest accrued during the period the holder owned such Claim and not previously included in such holder's income will be required to recognize ordinary income equal to the amount of such money and the fair market value of such property received in respect of such Claim. A holder generally may claim an ordinary deduction (or, possibly, a write-off against a reserve for bad debts) to the extent of any Claim for accrued interest that was previously included in such holder's taxable income and which will not be paid in full by the Debtor under the Plan (after allocating any payment to be made by the Debtor between principal and accrued interest), even if the underlying Claim is held as a capital asset. The tax basis of any property received in exchange for a Claim for accrued interest under the Plan will equal the fair market value of such property on the Effective Date, and the holding period for such property will begin on the day following the Effective Date.

The extent to which consideration distributable under the Plan is allocable to interest is unknown. Holders of Claims are advised to consult their own tax advisers to

determine the amount, if any, of consideration received under the Plan that is allocable to interest.

THE FOREGOING SUMMARY HAS BEEN PROVIDED FOR INFORMATIONAL PURPOSES ONLY. ALL HOLDERS OF CLAIMS OR EXISTING EQUITY INTERESTS PARTICIPATING IN THE EXCHANGE UNDER THE PLAN ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES APPLICABLE TO THEM.

XII. RECOMMENDATION AND CONCLUSION

For all of the reasons set forth in the Disclosure Statement, the Proponents believe that confirmation and consummation of the Plan is preferable to all other alternatives. Consequently, the Proponents urge all eligible holders of Impaired Claims and Interests to vote to **accept** the Plan, and to complete and return their ballots so that they will be **received** by the Debtor's counsel on or before 5:00 p.m. (Eastern Time) on April 10, 2014.

Dated: New York, New York
| ~~March 14~~April 21, 2014

DEBTOR RICHMOND VALLEY PLAZA LLC

By: /s/ John Noce
John Noce
Title: Manager

Dated: New York, New York
| ~~March 14~~August 21, 2014

DEBTOR A.E.T. REALTY HOLDINGS CORP.

By: /s/ Augusto Mandara
Augusto Mandara
Title: President

Dated: New York, New York
| ~~March 14~~April 21, 2014

DEBTOR E.B. REALTY HOLDINGS CORP.

By: /s/ Emilio Branchinelli
Emilio Branchinelli
Title: President

Dated: New York, New York

**DEBTOR T.M. REAL ESTATE HOLDING
LLC**

| ~~March 14~~April 21, 2014

By: /s/ John Noce

John Noce

Title: Manager

Dated: New York, New York
April 21, 2014

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Attorneys for Richmond Valley Plaza, LLC, et al.,
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