UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION

CASE NO. 14-24492-BKC-EPK
CHAPTER 11
LEAD CASE

GLADES BREWERY PARTNERS, LTD.

Debtor.
_____/

CASE NO. 14-24493-BKC- EPK
CHAPTER 11

GLADES BREWERY PARTNERS, INC.

Debtor.
_____/

THIRD AMENDED DISCLOSURE STATEMENT

IMPORTANT: THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PROPOSED CHAPTER 11 PLAN. READ THIS DOCUMENT WITH CARE.

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ARTICLE I
PRELIMINARY STATEMENT

1.1 The following preliminary statement is qualified in its entirety by the more detailed information appearing elsewhere in this Disclosure Statement with respect to the Chapter 11 Plan proposed by the Debtor. All capitalized terms contained in this preliminary statement, as well as elsewhere in this Disclosure Statement, shall, unless otherwise defined herein, have the meanings ascribed to such capitalized terms in the "DEFINITIONS" section of this Disclosure Statement.

1.2 The Bankruptcy Court will hold a hearing on confirmation of the Plan, at which time it will consider objections to confirmation, if any, commencing at a time and place to be set forth in an order accompanying this Disclosure Statement ("the Confirmation Hearing"). The Confirmation Hearing may be adjourned from time to time without notice other than the announcement of an adjourned date at the hearing. Objections to Confirmation of the Plan, if any, must be in writing and served and filed as described in the aforesaid order accompanying this Disclosure Statement. The order scheduling the Confirmation Hearing should also be reviewed to better understand the confirmation procedures described herein.

1.3 **THE DEBTOR BELIEVES THAT, UNDER THE CIRCUMSTANCES, THE PLAN PROVIDES FOR THE BEST POSSIBLE AND MOST EQUITABLE RECOVERY TO ALL CREDITORS HOLDING ALLOWED CLAIMS AGAINST THE DEBTOR. THE DEBTOR BELIEVES THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF CREDITORS AND RECOMMENDS THAT ALL CREDITORS ENTITLED TO VOTE ACCEPT THE PLAN.**

1.4 A separate Ballot to be used for voting to accept or reject the Plan is enclosed in the solicitation materials with this Disclosure Statement and the accompanying Plan. After carefully reviewing the Disclosure Statement and the Plan, please indicate your vote on the enclosed Ballot and return it to the address set forth

below so as to be actually received on or before 5:00 p.m. on the date set in the order accompanying this Disclosure Statement. For your convenience, a pre-addressed envelope is provided. The Ballot must be RECEIVED by the deadline at this address:

Office of the Clerk
United States Bankruptcy Court
Flagler Waterview Building
1515 N. Flagler Drive
West Palm Beach, FL 33401

1.5 **IF YOU HAVE ANY QUESTIONS WITH RESPECT TO FILLING OUT YOUR BALLOT, YOU MAY CONTACT KENNETH S. RAPPAPORT, ATTORNEY FOR THE DEBTOR, AT (561) 368-2200. THE FOREGOING IS A PRELIMINARY STATEMENT. THIS DISCLOSURE STATEMENT AND THE PLAN SHOULD BE READ IN THEIR ENTIRETY BEFORE VOTING ON THE PLAN.**

ARTICLE II
INTRODUCTION

2.1 **The Chapter 11 Case.** On June 25, 2014, Debtor filed in the United States Bankruptcy Court for the Southern District of Florida, its voluntary petition for reorganization under chapter 11 of the Bankruptcy Code. Since the Petition Date, the Debtor has been operating its business as Debtor-in-Possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

2.2 **Purpose of Disclosure Statement.** The Debtor submits this Disclosure Statement in connection with the Plan pursuant to Section 1125 of the Bankruptcy Code in connection with the solicitation of acceptances of the Plan. The purpose of the Disclosure Statement is to provide adequate information to enable Creditors to make an informed judgment as to whether or not to vote in favor of the Plan. This Disclosure Statement contains only a brief summary of the Plan. The entire Plan is enclosed with

this Disclosure Statement and Creditors are urged to review the Plan in its entirety before voting. If there are any inconsistencies between the Plan and this Disclosure Statement, the provisions of the Plan will control. All terms defined in the Plan have the same meaning in this Disclosure Statement. The statements made in this Disclosure Statement are made as of the date set forth below, unless another time is specified. The delivery of this Disclosure Statement does not mean or imply that there has not been any change in the representations set forth in this Disclosure Statement after the date of its execution.

2.3 The legal, contractual and equitable rights of certain Creditors and holders of Equity Interests of each of the Debtor are altered, modified or changed by the proposed treatment under the Plan and are, therefore, considered "impaired." Creditors with Claims that are impaired are entitled to vote to accept or reject the Plan, and may vote on the Plan by completing the Ballot, which is enclosed. Creditors should mail their Ballots to the address set forth on the Ballot.

2.4 **THE VOTE OF EACH HOLDER OF A CLAIM IS IMPORTANT. TO BE COUNTED, YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE OFFICE OF THE CLERK, UNITED STATES BANKRUPTCY COURT BY THE DATE AND TIME AND AT THE ADDRESS STATED ON THE ORDER ACCOMPANYING THIS DISCLSOURE STATEMENT.**

2.5 The Bankruptcy Code requires, as a condition to confirmation of a chapter 11 plan, that each class of claims or interests that is impaired under such plan shall have accepted the plan. Under Section 1126(c) of the Bankruptcy Code, a class of claims has accepted a plan if the plan has been accepted by voting creditors that hold at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the allowed claims.

2.6 The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing. Objections to Confirmation of the Plan, if any, must be in writing and filed and served as described herein below.

2.7 **Disclaimers. THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT CONCERNING THE FINANCIAL CONDITION OF THE DEBTOR OR THE EVENTS LEADING UP TO THE BANKRUPTCY ARE BASED UPON THE DEBTOR'S BOOKS AND RECORDS AND UPON OTHER FINANCIAL AND OTHER INFORMATION KNOWN BY THE DEBTOR AND THE PROFESSIONALS EMPLOYED BY THE DEBTOR IN THIS CHAPTER 11 CASE. NONE OF THIS INFORMATION HAS BEEN SUBJECTED TO AN AUDIT BY INDEPENDENT CERTIFIED ACCOUNTANTS OR AUDITORS. THE DEBTOR HAS ATTEMPTED TO INCORPORATE ACCURATE INFORMATION IN THIS DISCLOSURE STATEMENT AND THE PLAN, AND TO THE BEST OF THE DEBTOR'S KNOWLEDGE, THE INFORMATION IS TRUE AND ACCURATE.**

2.8 **CERTAIN OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT BY NATURE, IS FORWARD LOOKING, CONTAINS ESTIMATES AND ASSUMPTIONS WHICH MAY PROVE TO BE WRONG, AND CONTAINS PROJECTIONS WHICH MAY BE MATERIALLY DIFFERENT FROM ACTUAL FUTURE EXPERIENCES.**

2.9 **THE SOLICITATION OF ACCEPTANCES OF THE PLAN, BY AND THROUGH THIS DISCLOSURE STATEMENT IS NOT AND WILL NOT BE GOVERNED BY OR BE SUBJECT TO ANY OTHERWISE APPLICABLE LAW, RULE OR REGULATION GOVERNING THE SOLICITATION OR ACCEPTANCE OF THE PLAN, AS PROVIDED FOR IN SECTION 1125(e) OF THE BANKRUPTCY CODE.**

2.10 **Brief Overview of Chapter 11.** Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Under chapter 11, a debtor is authorized to reorganize its financial affairs for its own benefit and that of its creditors, or to effect an orderly liquidation of its assets and the distribution of the cash proceeds therefrom to creditors.

2.11 The commencement of a chapter 11 case creates an estate comprised of all the legal and equitable interests that a debtor has in property as of the date that the

bankruptcy petition is filed. The Bankruptcy Code provides that a debtor may continue to manage its financial affairs and remain in possession of its property as a "Debtor in Possession." The Debtor has remained in possession of its property as Debtor-in-Possession. No trustee or examiner has been appointed as of the date of filing this Disclosure Statement.

2.12 The filing of a chapter 11 petition also triggers the "automatic stay" provisions of the Bankruptcy Code. Section 362 of the Bankruptcy Code provides for a stay of (very similar to an injunction against) any attempt to collect a pre-petition debt, claim or obligation from a debtor or to otherwise interfere with its property or business. Unless the Bankruptcy Court orders otherwise, the automatic stay remains in full force and effect until a plan is confirmed or the case is dismissed.

2.13 The formulation of a plan is the primary purpose of a chapter 11 case. A plan sets forth the means by which a debtor will satisfy creditors that hold claims against a debtor. Although it is generally referred to as a plan of reorganization, it may also provide for the orderly liquidation or transfer of the debtor's assets, and in such instances may also be referred to as a plan of liquidation.

2.14 After a plan is filed, the holders of claims against or interests in a debtor are requested to vote to accept or reject the plan. Before someone may solicit acceptances of a proposed plan, the Bankruptcy Code requires that a disclosure statement (usually prepared by the plan's proponent) be approved by the Bankruptcy Court as containing adequate information about a debtor, its assets and its liabilities that will enable a hypothetical, reasonable investor to make an informed decision about the plan.

2.15 Chapter 11 does not require that each holder of a claim against or an equity interest in a debtor vote in favor of a plan for the Bankruptcy Court to confirm the plan. The Bankruptcy Code defines acceptance of a plan of reorganization by a given class of creditors holding claims against a debtor as acceptance by at least two-thirds in amount and more than one-half of the number of the holders of allowed claims in that class

actually voting. Holders of claims or interests who fail to vote will not be counted as having either accepted or rejected the plan.

2.16 Classes of claims or equity interests that are not "impaired" under a plan are conclusively presumed to have accepted the plan, and therefore, are not entitled to vote. Acceptances of the Plan in this Chapter 11 Case are being solicited only from those entities holding a Claim in an impaired class. Because the holders of Equity Interests are not impaired, no solicitation is directed at them.

2.17 Even if all of the classes of claims accept a plan, the Bankruptcy Court may determine that a plan should not be confirmed if the plan does not meet all of the requirements of Section 1129 of the Bankruptcy Code. Among other things, Section 1129 requires that a plan be in the "best interest" of creditors and that it be "feasible" before being confirmed. The "best interest" test generally requires that the value of the consideration to be distributed to the holders of claims under the plan may not be less that what they would receive if the assets of the debtor were liquidated pursuant to chapter 7 of the Bankruptcy Code. To satisfy the "feasibility" requirement of Section 1129, the court must also find that there is a reasonable probability that the debtor will be able to perform the obligations set forth in the plan. The Debtor believes that the "best interest" and "feasibility" requirements are satisfied by the Plan.

2.18 The Bankruptcy Court may confirm a plan even though fewer than all of the classes of impaired claims accept it. For a plan to be confirmed despite the rejection of one or more classes of impaired claims, the proponent of the plan must show, among other requirements, that the plan does not discriminate unfairly and that it is fair and equitable with respect to each impaired class of claims that has not accepted the plan. A plan is considered to be "fair and equitable" if it provides, with respect to unsecured creditors, that absent new value, the holder of any claim that is junior to the claims of the non-accepting class(es) will not receive or retain, on account of such junior claim or equity interest, any property, unless all senior classes are paid in full. The Bankruptcy Court

must also determine, pursuant to Section 1129(b) of the Bankruptcy Code, that the economic terms of the plan do not unfairly discriminate with respect to an objecting class. The Debtor believes that the economic terms of the Plan do not unfairly discriminate with respect to any of the impaired classes.

ARTICLE III
CONFIRMATION PROCEDURES

3.1 **In General**. "Confirmation" is the technical term for the Bankruptcy Court's approval of a plan of reorganization. The timing, standards, and factors considered by the Bankruptcy Court in deciding whether to confirm a plan are discussed herein below.

3.2 **Objections to Confirmation.** Any objections to the Plan must be made in writing, must be filed with the Clerk of the Bankruptcy Court, and served on the counsel and parties listed below, on or before the date set forth in the notice scheduling the confirmation hearing provided with the approved Disclosure Statement. Bankruptcy Rule 3007 governs the form of objections. Copies of the objection must be served upon the following parties:

Kenneth S. Rappaport, Esq.
RAPPAPORT OSBORNE RAPPAPORT & KIEM, PL
Counsel to Debtor
1300 North Federal Highway, Suite 203
Boca Raton, FL 33432

and

Office of the United States Trustee
Southern District of Florida
Claude D. Pepper Federal Building
51 S.W. First Avenue, Suite 1204
Miami, Florida 33130

3.3 **Confirmation Hearing**. The Bankruptcy Court has scheduled a Confirmation Hearing. The date and time of the Confirmation Hearing is stated in the Court's Order (I) Setting Hearing to Consider Approval of Disclosure Statement; (II)

Setting Deadline for Filing Objections to Disclosure Statement; and (III) Directing Plan Proponent to Serve Notice, enclosed with this Disclosure Statement. At the Confirmation Hearing, it is expected that the Bankruptcy Court will enter an order confirming the Plan if the requirements of Section 1129(a) of the Bankruptcy Code have been met, including the receipt of sufficient acceptances of the Plan by the Debtor's Creditors or, in the alternative, if the requirements of Section 1129(b) of the Bankruptcy Code have been met.

3.4 **Effective Date.** The Plan will not be consummated or "effective" immediately upon the entry of the Confirmation Order by the Bankruptcy Court, but, if at all, will be consummated on a later date (the "Effective Date"). The Plan provides that the Effective Date will not occur unless various significant conditions are satisfied, or waived in writing by the respective Debtor. Debtor does not have any obligation to waive any of the conditions to the Effective Date. The conditions to the Effective Date are as follows:

(a) The Bankruptcy Court must approve the information contained in the Disclosure Statement as adequate;

(b) The Bankruptcy Court must enter the Confirmation Order and the Confirmation Order becomes a Final Order and not be vacated, reversed, stayed, modified, amended, enjoined, or restrained by order of any court of competent jurisdiction;

(c) All documents and agreements required to be executed or delivered under the Plan on or prior to the Effective Date, including, without limitation, the Plan Documents, must have been executed and delivered by the appropriate parties;

(d) The Bankruptcy Court must enter a Final Order (contemplated to be part of the Confirmation Order) giving effect to or authorizing and directing the Debtor to take all actions necessary or appropriate to enter into, implement, and consummate the contracts, instruments, releases, indentures, and other agreements or documents created, amended, supplemented, modified, or adopted in connection with the Plan;

(e) All authorizations, consents, and regulatory approvals required, if any, in connection with the Plan's effectiveness must have been obtained;

(f) No court has entered an order that remains in effect and that restrains the Debtor from consummating the Plan.

(g) At the hearing on confirmation of the Plan, the Court will hear any timely filed objection to confirmation of the Plan.

ARTICLE IV
HISTORY AND BACKGROUND

Brewzzi in Boca Raton opened for business in August of 1997. Brewzzi is Florida's most awarded brewery, including Gold and Silver medals at the Great American Beer Festival. Our kitchen is renowned for enormous portions of quality favorites using the freshest ingredients brought in daily. While the core menu is based on old world Italian & traditional American comfort food, the selections have expanded to include an eclectic mix of global cuisines.

The original Brewzzi partnership, Brewery Partners I, included 750 Financial Associates Inc. (the predecessor to Glades Brewery Partners) and Innovative Restaurant Concepts Inc. Due to incompetence and possible criminal activity by Innovative Restaurant Concepts Inc., 750 Financial Associates sought to have Innovative removed from Brewery Partners I in 1999. Innovative responded by filing for bankruptcy, resulting in an involuntary bankruptcy of Brewery Partners I. In fall of 2000, the principals of 750 Financial Associates Inc. formed Glades Brewery Partners Inc. and Glades Brewery Partners LTD which purchased the assets of Brewery Partners I out of the bankruptcy proceedings.

In February of 2003 a second Brewzzi location opened in West Palm Beach, under a separate ownership group. The second location allowed both restaurants to benefit

from better purchasing power and the ability to split marketing costs.

Sales stayed fairly consistent until the Great Recession starting in 2007. Despite the downturn in the US economy, the Glades Road corridor still maintained its reputation as the second-best restaurant market in the nation, and new competing restaurants continued to open. Today there are 25-30 more restaurants within a mile of Brewzzi Boca Raton than there were in 1997 when Brewzzi first opened. At least 10 of those new restaurant locations opened in the shopping center, Glades Plaza (part of which is now known as Commons at Town Center, but both centers are still managed as a single property). In order to survive the downturn in the economy, the landlord filled retail vacancies with these restaurants and other parking-dense new tenants. Between the lack of parking for the customers and the new competition, the lunch business dropped significantly, accounting for two-thirds of the total sales decrease between 2011 and 2012.

In June 2014 the landlord of Brewzzi in West Palm Beach executed an unexpected and accelerated eviction, which the ownership of Brewzzi West Palm Beach is actively challenging the legality of in state court. Actions of the landlord have made it impossible to return to the West Palm Beach location, and because both locations share the same vendors, creditors and investors, it became necessary to seek Chapter 11 protection for Brewzzi in Boca Raton.

In order to improve Debtor's standing as a single store and successfully emerge from Chapter 11, Debtor had engaged Rapoport's Restaurant Group in November 2014 as "Consultant." Burt Rapoport is a known restauranteur in Palm Beach County with a track record for restaurant efficiency and cost cutting. The fee for this consulting was paid outside the Chapter 11, by the principal of the Debtor.

Additionally, the Debtor intends to further revamp its restaurant operations by removing its brewery and thereby increasing the number of seating in the leased space. The foregoing revamping is expected to increase sales by 20% and reduce costs which

include the elimination of costs related to the brewery operations. Finally, it is important for the Debtor and its principal that the restaurant continues its employment of several people in the community including maintaining an employment atmosphere that accommodates all individuals, especially those that may have special needs.

ARTICLE V
DESCRIPTION OF THE PLAN

5.1 A DISCUSSION OF THE PRINCIPAL PROVISIONS OF THE PLAN AS THEY RELATE TO THE TREATMENT OF CLASSES OF ALLOWED CLAIMS IS SET FORTH BELOW. THIS DISCUSSION OF THE PLAN IS MERELY A SUMMARY AND SHOULD NOT BE RELIED UPON FOR VOTING PURPOSES. YOU ARE URGED TO READ THE PLAN IN ITS ENTIRETY IN EVALUATING WHETHER TO ACCEPT OR REJECT THE PLAN. IF ANY INCONSISTENCY EXISTS BETWEEN THIS SUMMARY AND THE PLAN, THE PLAN CONTROLS.

5.2 The Debtor submits that, under the Plan, Creditors will obtain a greater recovery than would be available if the Debtor were liquidated under chapter 7. The Plan provides for the following classification and treatment of claims. Classes 3, 4 and 5 are impaired.

5.3 **Class Treatment.** Class 1 are the secured claim(s) of Marlin Leasing for the lease of various equipment of the Debtor. Debtor proposes to leave unaltered the legal and contractual obligations owed to Class 1 claimants.

5.4 Class 2 is the secured claim(s) of Rewards Network Establishment Services Inc. ("Rewards Network"). Claim No. 27 of Rewards Network in the amount of at least $144,937.56 and claimed as secured by Rewards Network is hereby reduced to an

allowed secured claim in the total amount of $15,000.00 (the "Allowed Secured Claim") as reflected in the underlying Order at ECF No. 298, which controls to the extent there is any inconsistencies between the foregoing Order and terms of the plan herein. The Debtor shall pay the Allowed Secured Claim in twelve (12) equal monthly installments of $1,250.00 commencing sixty (60) days from the Effective Date. Rewards Network shall retain all of its existing liens and security interests in all of the assets of the Debtor to secure the Allowed Secured Claim. Upon any default by the Debtor in timely paying the Allowed Secured Claim, Rewards Network shall be entitled to exercise all of its rights and remedies under any security agreement executed by the Debtor, which shall remain in full force and effect notwithstanding the confirmation of any plan of reorganization. Rewards Network agrees that the unsecured balance of the claim shall be disallowed for the purpose of this bankruptcy case only, and subject to the full and timely payment of the Allowed Secured Claim as set forth herein.

5.5 Class 3 is the secured claim(s) of Florida Community Bank, NA. The foregoing secured claims are to be assigned to Arbern MIP LTD pursuant to a settlement agreement among non-debtor parties. Arbern MIP LTD is a limited partnership that is mainly owned by Morris L. Stoltz, II, and his spouse. All conditions precedent for the foregoing assignment have been met. Debtor proposes to pay Class 3 the annual sum of $200,000.00 over a period of ten (10) years, beginning ninety (90) days after the Effective Date. The annual amount shall be paid in monthly installments of $16,666.67. However, in no event shall Florida Community Bank, NA and or its assignees Arbern MIP LTD be paid more than it is entitled to receive pursuant to obligations owed to it, including any amendments to said obligations.

5.6 Class 4 is the allowed general unsecured claims of $1,000.00 or less or allowed Class 5 claimants who agree to reduce their claim to $1,000.00 and agree to be treated as a Class 4 claimant. Debtor proposes to pay all allowed Class 4 claimants 50% of their allowed claim on the Effective Date

5.7 Class 5 is all other general unsecured allowed claims not otherwise dealt with in the Plan. Debtor proposes to distribute the sum of $50,000.00 pro-rata and without interest to all allowed Class 5 claimants in one lump sum ninety (90) days after the Effective Date.

5.8 Class 6 claimants are equity security holders and/or insiders of the Debtor. Insiders shall subordinate to the claims of other creditors. Upon the Effective Date, the Reorganized Debtor shall be owned 100% by Morris L. Stoltz II, and/or his related entities. Morris L. Stoltz II and or his related entities shall subordinate its administrative claim in the amount of $1,197,024.32 as of September 29, 2016. Furthermore, to the extent necessary, Morris L. Stoltz II shall fund the Plan payments to Class 4 and 5.

5.9 Priority tax claims: The Internal Revenue Service has not filed any claims of the type specified in §507 of the Bankruptcy Code.

5.10 Administrative claims shall be paid in full on the Effective Date of the Plan. They are estimated as follows:

1. U.S. Trustee (estimated at $3,750.00). Notwithstanding any other provisions of the Plan to the contrary, the Debtor shall pay the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. §1930(a)(6), within 15 days of the entry of the Order confirming the Plan, for pre-confirmation periods and simultaneously provide to the U.S. Trustee an appropriate Affidavit indicating the cash disbursements for the relevant period.

The Debtor, as a reorganized Debtor, shall further pay the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. §1930(a)(6) for post-confirmation periods within the time period set forth in 28 U.S.C. §1930(a)(6), based upon all post-confirmation disbursements made by the reorganized Debtor, until the earlier of the closing of this case by the issuance of a Final Decree by the Court, or upon entry of an Order by the Court dismissing this case or converting this case to another chapter under the U.S. Bankruptcy Code, and the reorganized Debtor shall provide to the U.S. Trustee upon payment of each post-confirmation payment an appropriate Affidavit indicating all the cash disbursements for the relevant period.

2. Debtor's counsel is owed approximately $120,000.00 after applying the prepetition retainer and post-petition payments received from Morris L. Stoltz and or his related non-debtor entities. Debtor's counsel estimates an additional $15,000.00 in fees to conclude the matter. Fees and costs are subject to Court approval.

3. Upon the Effective Date, Morris L. Stoltz, II, and/or his related entities will subordinate its administrative claim that as of August 24, 2016 was $1,127,024.32.

4. Debtor does hereby assume all executory contracts and unexpired leases. As to Debtor's lease with L & P CIP Glades Plaza LLC (the "Landlord"), it is the Debtor's position that the terms of the Debtor's assumption of the foregoing lease include the following:

a. Upon the Effective Date, the Debtor continues making regular monthly rent payments pursuant to the underlying lease agreement. The current monthly rent amount is $36,445.25, which includes taxes and common area maintenance charges, and will be adjusted accordingly pursuant to the underlying lease agreement.

b. The cure amount to assume the lease with the Landlord was $247,566.70, which includes post-petition amounts due. Within 7 days after the Effective Date, the Debtor will cure all allowed amounts due and owing under the lease agreement that has remained unpaid. Beginning in January 2015 and through August 2016, the Debtor has paid, in addition to the monthly rent, additional amounts totaling $126,617.49 to the Landlord towards the cure amount of $247,566.70 leaving a balance of $120,949.21. The Debtor will continue to make additional monthly payments to the Landlord of $6,365.75 (which includes taxes) in addition to the regular monthly rent payments until the Effective Date or the cure amount is paid in full, which ever one occurs first. The cure amount remaining on the lease agreement with the Landlord as of September 9, 2016 is $120,949.21.

c. Within seven (7) days after the Debtor pays the balance of the allowed cure amount to the Landlord, the Landlord shall dismiss the litigation regarding the personal guarantee with Morris L. Stoltz with prejudice.

ARTICLE VI
CLASSES IMPAIRED BY THE PLAN

Certain Claims are impaired by the Plan. Claims in Class 1 is not impaired because the Plan provides full payment of the Claims in this Class on the Distribution Date or as soon as practicable thereafter. Claims in Class 3, 4 and 5 are impaired and entitled to vote to accept or reject the Plan.

ARTICLE VII
IMPLEMENTING THE PLAN

The funds necessary for implementation of the Plan shall be derived from the

ongoing operations of the Debtor. To the extent necessary, outside sources are contemplated.

ARTICLE VIII
MANAGEMENT – COMPENSATION

During the pendancy of this chapter 11 proceeding, the affairs of the Debtor have been managed and will continue to be managed by Morris L. Stoltz.

ARTICLE IX
FINANCIAL INFORMATION

The Debtor has filed Monthly Operating Reports with the Court which reflect the monthly income and expenses of the Debtor. Those reports are available on the Court Docket or by request to counsel for the Debtor. Additionally, the Schedules of Receipts and Disbursements from the Debtor's Monthly Operating Reports for the prior 6 months are attached hereto as Exhibit "A."

ARTICLE X
TREATMENT OF DISPUTED, CONTINGENT AND UNLIQUIDATED CLAIMS

10.1 **No Payment to Disputed Claims**. Notwithstanding any other provision of the Plan, no cash or other property shall be distributed under the Plan on account of any Disputed Claim, whether or not such Claim is disputed in part, only.

10.2 **Claims Objections.** The Debtor shall file and serve objections to Claims when and as required by Rule 3007-1(B) of Local Rules for the United States Bankruptcy Court for the Southern District of Florida or as provided for in any order from the Bankruptcy Court.

10.3 **Estimation.** To expedite distributions pursuant to the Plan and avoid undue delay in the administration of the Chapter 11 Case, on request of the Debtor, the Bankruptcy Court may estimate, pursuant to Section 502(c) of the Bankruptcy Code, the

amount of any Disputed Claim for which funds are to be set aside.

10.4 **Delivery of Distributions**. Distributions and deliveries to holders of Allowed Claims shall be made at the address of each such holder as set forth on the proofs of Claim filed by such holders in the space on such proof of Claim identifying the name and address where notices shall be sent (or the last known addresses of such holders if no proof of Claim is filed or if the Debtor has been notified in writing of a change of address), except as otherwise provided in this Plan. If any holder's distribution is returned as undeliverable, no further distributions to such holder shall be made unless and until the Debtor is notified in writing by such holder within six months from the date of the mailing of the undeliverable distribution of such holder's then current address, at which time any missed distributions shall be made to such holder without interest. Amounts in respect of undeliverable distributions shall be returned to the Debtor until such distributions are claimed. All claims for undeliverable distributions shall be made within six months of the date of such distribution. Any amounts in respect of undeliverable distributions which remain unclaimed after such six month period shall be forfeited to the Debtor and shall be made available for distribution to other Creditors.

10.5 **Professional Fees and Expenses.** Each Entity requesting compensation in the Chapter 11 Cases pursuant to Section 330 of the Bankruptcy Code shall file an application for allowance of final compensation and reimbursement of expenses in the Chapter 11 Cases before the 45th day after the Confirmation Date or within such time as the Bankruptcy Court shall order. Objections to each such application may be filed on or before the 15th day after such application is filed. Each person retained by the Debtor to perform legal, accounting, consulting or advisory services for the Debtor post-confirmation shall be paid for such services in accordance with the arrangements made by such person and the Debtor.

10.6 **Claims Based Upon Rejection of Executory Contracts or Unexpired Leases.** Pursuant to the Plan, and Local Bankruptcy Rule 3003-1(C), all proofs of Claim

with respect to Claims arising from the rejection of executory contracts or unexpired leases rejected as of the Confirmation Date must be filed within 30 days after the later of the date of the entry of the Confirmation Order or an order of the Bankruptcy Court approving such rejection. The Plan provides that any Claims arising from the rejection of an executory contract or unexpired lease not filed within such times will be forever barred unless otherwise ordered by the Bankruptcy Court. All such rejection Claims for which proofs of Claim are required to be filed will be deemed general Unsecured Claims to the extent ultimately Allowed.

ARTICLE XI
SOLICITATION OF VOTES

The Debtor is soliciting acceptances from the Creditors holding Claims in classes entitled to vote for or against confirmation of the Plan.

11.1 **Eligibility.** Any Creditor whose Claim is objected to prior to the date the Ballots are due is not eligible to vote to accept or reject the Plan unless the objection is resolved, or after notice and a hearing pursuant to Bankruptcy Rule 3018(a), the Bankruptcy Court allows the Claim temporarily for the purpose of voting. Any Creditor whose claim is objected to that wants its Claim to be allowed temporarily for the purpose of voting must take steps necessary to arrange an appropriate hearing with the Bankruptcy Court.

11.2 **Multiple Claims.** Some Creditors may hold Claims in more than one impaired class. These Creditors must vote separately for each class (in accordance with the records of the Clerk of the Court) and should complete and sign each Ballot received.

11.3 **Ballots.** In voting for or against the Plan, please only use the Ballot or Ballots sent to you with this Disclosure Statement. You may receive more than one Ballot, and if you do, you should assume that each Ballot is for a Claim in a different class in which you are entitled to vote. Votes cast to accept or reject the Plan will be counted

by the class. You are not required to vote all of your Claims in different classes the same way. However, you are required to vote all of your Claims within a class the same way. Please read the voting instructions contained within the Ballot for a thorough explanation of voting procedures applicable to your Claim.

11.4 **Voting Procedure.** To vote on the Plan, you must: (1) indicate on the Ballot that (a) you accept the Plan or reject the Plan; and (2) sign your name and mail the Ballot in the envelope provided for this purpose. Please complete and return each Ballot you receive to the Clerk. Any executed Ballot that does not indicate acceptance or rejection of the Plan will be disregarded. Put your taxpayer identification number (or social security number) on your Ballot where indicated. PLEASE CAREFULLY FOLLOW THE INSTRUCTIONS CONTAINED ON THE BALLOT.

11.5 **Change of Vote.** You may not change your vote after it is cast unless the Bankruptcy Court permits you to do so after notice and a hearing to determine whether sufficient cause exists to permit the change. **Do not return any certificates or instruments evidencing your Claim with the Ballot.**

11.6 **Ballot Not Received.** If you believe that you are a member of a voting class for which you did not receive a Ballot, or if your Ballot is damaged or lost, or if you have any questions concerning voting procedures, then please contact the following in writing:

Kenneth S. Rappaport, Esq.
RAPPAPORT OSBORNE RAPPAPORT & KIEM, PL
Counsel to Debtor
1300 North Federal Highway, Suite 203
Boca Raton, FL 33432

11.7 **Importance of Voting.** Your vote is important. Your failure to vote will leave to other Creditors, whose interests may not be the same as yours, the decision to accept or reject the Plan.

ARTICLE XII

CONFIRMATION

12.1 **Cramdown.** At the Confirmation Hearing, the Bankruptcy Court shall confirm the Plan if all of the requirements of Section 1129(a) of the Bankruptcy Code are met, or alternatively pursuant to the "cramdown" provisions of Section 1129(b) of the Bankruptcy Code, if all of the requirements of Section 1129(a) except Subsection 1129(a)(8) are satisfied, and as to any rejecting class of impaired Claims or Interests, Section 1129(b) is satisfied. Two of the requirements of Section 1129(a) are known as the "best interest test" and the "feasibility test."

12.2 **Best Interest Test.** To meet the "best interest" test, a plan proponent must establish that each holder of a claim or interest that is impaired under the plan either has accepted the plan or will receive or retain under the plan in respect of its claim or interest, property of a value as of the effective date that is not less than the amount such holder would receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

12.3 To determine what creditors and holders of interests would receive if a debtor were liquidated under chapter 7, the Bankruptcy Court will first determine the dollar amount that would be generated from the liquidation of the assets and properties of the debtor in the context of a chapter 7 liquidation. The cash amount that would be available for satisfaction of claims and interests would consist of: (i) the proceeds resulting from the disposition of the debtor's assets, (ii) the cash held by the debtor on the petition date, and (iii) any interest earned on the investment thereof, minus the costs of the liquidation and any administrative expense claims and priority claims that may result from the liquidation of the debtor's assets in chapter 7.

12.4 A chapter 7 trustee's costs of liquidating a debtor under chapter 7 would include the fees (in the nature of a commission) payable to a trustee in bankruptcy and the fees and expenses of any attorneys and other professionals engaged by such trustee,

plus unpaid expenses incurred during the prior chapter 11 case including compensation of attorneys and accountants.

12.5 In this Chapter 11 Case, the additional costs and expenses incurred by a trustee (or trustees) in a chapter 7 liquidation would likely be substantial, including those associated with the trustee's need to obtain expertise in the particular assets to be liquidated and the background of all of the pending and anticipated litigation. Moreover, the potential loss of management knowledge of the institutional data underlying the prosecution of litigation that is pending or is to be filed would create a significant obstacle for recovery by a chapter 7 trustee. The costs associated with these factors would be significant and would both delay the final disposition of the cases and would decrease the amounts that Allowed Claims would receive under the Plan. In addition, it is unlikely that the chapter 7 trustee would undertake the kind of orderly liquidation of the outstanding accounts receivable as is contemplated by the Plan inasmuch as an orderly liquidation as contemplated by the Plan would require the chapter 7 trustee to continue to operate the business of the Debtor. This is something a trustee in chapter 7 rarely does and would necessitate the prior permission of the United States trustee and the Bankruptcy Court. As a result, if straight liquidation in chapter 7 occurred, the percentage recovery on accounts receivable will likely suffer.

12.6 Under chapter 7, the Claims arising from the chapter 7 administration of this case would be paid in full before proceeds would be paid to holders of Allowed Claims.

12.7 In addition, the Bankruptcy Code and Rules would permit the establishment of a new Claims Bar Date upon conversion. The reopening of the claims process would provide a second opportunity for additional potential Claims to be filed, Claims that are now time-barred under chapter 11. Additional costs of noticing, administration and analysis of these additional potential Claims, which are now barred, would also be incurred.

12.8 Consequently, the Debtor believe that under chapter 7, Creditors would

receive a smaller distributions than they would receive under the Plan. The Debtor's chapter 7 liquidation analysis is attached hereto as Exhibit "B".

12.9 **Feasibility.** Funds to be used to make cash payments under the Plan shall derive from the Debtor's monthly income and Class 4 and 5 shall be paid if necessary by Morris L. Stoltz, II, and/or his related entities. As demonstrated in the projected operating income and expenses budget, which is attached to this Disclosure Statement as Exhibit "C", the Debtor is cash flow positive and has the funds available to perform the obligations under the Plan. In order to assist in funding the Debtor's business operations under the Plan, the Debtor will benefit from a favorable irrevocable letter of credit from Morris L. Stoltz, II, and/or his related entities for 6 months.

ARTICLE XIII
CONFIRMATION OF PLAN WITHOUT NECESSARY ACCEPTANCES; CRAMDOWN

A COURT MAY CONFIRM A PLAN EVEN IF IT IS NOT ACCEPTED BY ALL IMPAIRED CLASSES IF THE PLAN HAS BEEN ACCEPTED BY AT LEAST ONE IMPAIRED CLASS OF CLAIMS AND THE PLAN MEETS THE "CRAMDOWN" REQUIREMENTS OF SECTION 1129(b) OF THE BANKRUPTCY CODE. FOR A PLAN TO BE CRAMMED DOWN, THE COURT MUST FIND THAT THE PLAN IS "FAIR AND EQUITABLE" AND DOES NOT "DISCRIMINATE UNFAIRLY" WITH RESPECT TO EACH NON-ACCEPTING IMPAIRED CLASS OF CLAIMS OR INTERESTS. IF NECESSARY, THE DEBTOR INTEND TO REQUEST THE BANKRUPTCY COURT TO CONFIRM THE PLAN IN ACCORDANCE WITH THE "CRAMDOWN" PROVISIONS OF SECTION 1129(b) OF THE BANKRUPTCY CODE OR THE DEBTOR WILL MODIFY THE PLAN SO THAT IT SATISFIES THE TERMS THEREOF.

13.1 **No Unfair Discrimination; Fair and Equitable Test.** A plan does not discriminate unfairly if no class receives more than it is entitled to receive under the Bankruptcy Code. The "fair and equitable" rule requires absolute priority in the payment

of claims and interests with respect to the dissenting class or classes. The plan will be deemed "fair and equitable" with respect to creditors if: (i) creditors receive or retain under the plan property of a value equal to the amount of their allowed claims; or (ii) no holders of claims or interests that are junior to the claims of the creditors within the rejecting class receive any property under the plan on account of their junior claim or interest. The strict requirement of the allocation of full value to dissenting classes before junior classes can receive distribution is known as the "absolute priority rule". The Proponent believes that under the Plan: (i) all impaired classes of Claims and Equity Interests are treated in a manner that is consistent with the treatment of other classes of Claims and Equity Interests with which their legal rights are intertwined, if any; and (ii) no class of Claims will receive payments or property with an aggregate value greater than the aggregate value of the Allowed Claims in such a class. Accordingly, the Debtor believe that the Plan does not discriminate unfairly as to any impaired class.

ARTICLE XIV
EFFECT OF CONFIRMATION

14.1 **Binding Effect of Confirmation.** Confirmation of the Plan will legally bind the Debtor, all Creditors, holders of Equity Interests and other parties in interest to the provisions of the Plan whether or not the Creditor or Equity Interest holder is impaired under the Plan and whether or not such Creditor or Equity Interest holder has accepted the Plan.

Upon the Effective Date and after the Debtor has received a discharge upon completion of all payments under the Plan, the Reorganized Debtor will be discharged, pursuant to Section 1141 (d)(1) of the Bankruptcy Code, from all Claims and debts that arose before the Effective Date of this Plan and from any liability of any kind whether or not: (a) a proof of claim is filed or deemed to be filed under Section 501 of the Bankruptcy Code; (b) such Claim is allowed under Section 502 of the Bankruptcy Code; or (c) the

holder of such Claim has accepted the Plan.

On the Effective Date and after the Debtor has received a discharge upon completion of all payments under the Plan, as to every discharged debt and Claim, the Creditor that held such debt or Claim will be permanently barred from asserting against the Reorganized Debtor, or against the Reorganized Debtor's assets or properties, any other or further Claim based upon any document, instrument or act, omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date.

As of the Effective Date, all persons who have held, hold or may hold Claims against the Debtor, will be enjoined from taking any of the following actions or affecting the Reorganized Debtor, the Debtor's estate, the assets or properties of the Reorganized Debtor (other than actions brought to enforce any rights or obligations under the Plan or appeals, if any, from the Confirmation Order):

(a) Against the filing, commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding (including without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtor and/or Insiders, with respect to any property of any of the foregoing or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing, or any property of any such transferee or successor except as specifically authorized in the Plan;

(b) Enforcing, levying, attaching (including without limitation, any pre-judgment attachment), collecting or otherwise recovering by any means or in any manner, whether directly or indirectly, any judgment, award, decree or other Order against the Debtor and/or Insiders, with respect to any property of any of the foregoing or any of the direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing, or property or any such transferee or successor except as specifically authorized in the Plan.

(c) Creating, perfecting or otherwise enforcing in any manner,

directly or indirectly, any liens or encumbrances against the Debtor and/or Insiders, with respect to any property of any of the foregoing or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing, or any property of any such transferee or successor except as specifically authorized in the Plan;

(d) Setting off, seeking reimbursement or contribution from or subrogation against or otherwise recouping in any manner, directly or indirectly, any amount against any liability owed to the Debtor and/or Insiders, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing except as specifically authorized in the Plan; or

(e) Proceeding in any manner and any place with regard to liquidating any Claim in any forum other than the United States Bankruptcy Court for the Southern District of Florida, West Palm Beach Division, or, if that Court does not have jurisdiction thereon, in the United States District Court for the Southern District of Florida, West Palm Beach Division, or in such forum deemed appropriate by the Debtor.

14.2 **Good Faith.** Confirmation of the Plan shall constitute a finding that the Plan has been proposed in good faith and in compliance with applicable provisions of the Bankruptcy Code.

ARTICLE XV
TAX ANALYSIS

15.1 THE FOLLOWING DISCUSSION IS A SUMMARY OF CERTAIN MATERIAL FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO HOLDERS OF CLAIMS AGAINST THE DEBTOR, BUT IS NOT A COMPLETE DISCUSSION OF ALL SUCH CONSEQUENCES. CERTAIN OF THE CONSEQUENCES DESCRIBED BELOW ARE SUBJECT TO SUBSTANTIAL UNCERTAINTY DUE TO THE

UNSETTLED STATE OF THE TAX LAW GOVERNING BANKRUPTCY REORGANIZATIONS. NO RULINGS HAVE BEEN OR WILL BE REQUESTED FROM THE INTERNAL REVENUE SERVICE (THE "IRS") WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN. FURTHER, THE TAX CONSEQUENCES OF THE PLAN TO THE HOLDERS OF CLAIMS AGAINST THE DEBTOR MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER. IN ADDITION, THERE MAY BE STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES OF THE PLAN APPLICABLE TO PARTICULAR HOLDERS OF CLAIMS OR INTERESTS, NONE OF WHICH ARE DISCUSSED BELOW. THEREFORE, THE FOLLOWING SUMMARY IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM, AND YOU ARE URGED TO CONSULT WITH YOUR OWN TAX ADVISORS CONCERNING THE INDIVIDUAL TAX CONSEQUENCES OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING STATE, LOCAL AND FOREIGN TAX CONSEQUENCES.

15.2 A portion of the consideration received pursuant to the Plan in payment of a Claim may be allocated to unpaid interest, and the remainder of the consideration will be allocated to the principal amount of the Claim. The tax consequences of the consideration allocable to the portion of a Claim related to interest differ from the tax consequences of the consideration allocable to the portion of a Claim related to principal. Holders of Claims will recognize ordinary income to the extent that any consideration received pursuant to the Plan is allocable to interest, and such income has not already been included in such Creditor's taxable income. The determination as to what portion of the consideration received will be allocated to interest is unclear, and may be affected by, among other things, rules in the Internal Revenue Code (the "Tax Code") relating to original issue discount and accrued market discount. Holders of Claims should consult their own tax advisors as to the amount of any consideration received under the Plan that

will be allocated to interest. If amounts allocable to interest are less than amounts previously included in the Creditor's taxable income, the difference will result in a loss. Any amount not allocable to interest will be allocated to the principal amount of the Claim paid pursuant to the Plan, and will be treated as discussed below.

15.3 Creditors receiving Cash generally will recognize gain or loss on the exchange equal to the difference between its basis in the Claim and the amount of Cash received that is not allocable to interest. The character of any recognized gain or loss will depend upon the status of the Creditor, the nature of the Claim in its hands and the holding period of such Claim. If a Creditor has treated a Claim as wholly or partially worthless and been allowed a bad debt deduction, the Creditor will include the amount of Cash received in income to the extent such Cash exceeds the Creditor's remaining tax basis in the Claim.

15.4 Creditors may be entitled to installment sales treatment or other deferral with respect to the distribution they receive subsequent to the Effective Date. Creditors may already have claimed partial bad debt deductions with respect to their Claims. The IRS may take the position that holders of Allowed Claims cannot claim an otherwise allowable further loss in the year in which their Claim is allowed because they could receive further distributions. Thus, a Creditor could be prevented from recognizing a loss until the time when its Claim has been liquidated and distributions have been completed. If a Creditor is permitted to recognize a loss in the year of the Effective Date by treating the transaction as a "closed transaction" at such time, it may recognize income on any subsequent distribution.

15.5 In making distributions pursuant to the Plan, the Debtor will comply with all withholding and reporting requirements imposed by federal, state or local taxing authorities. All distributions pursuant to the Plan will be subject to all applicable withholding and reporting requirements.

ARTICLE XVI
ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

If the Plan is not confirmed and consummated, the only reasonable alternative is the liquidation of the Debtor under chapter 7 of the Bankruptcy Code. If the Chapter 11 Case is converted to a case under chapter 7 of the Bankruptcy Code, a chapter 7 trustee would be elected or appointed to liquidate the assets of the Debtor for distribution to Creditors in accordance with the priorities established by the Bankruptcy Code. The Debtor's analysis of the probable recovery to Creditors and holders of Equity Interests under chapter 7 has been presented in the foregoing discussion regarding the "best interest" test.

ARTICLE XVII
RECOMMENDATION

The Debtor urges Creditors entitled to vote to accept the Plan and to evidence such acceptance by timely and properly returning their Ballots so indicating.

ARTICLE XVIII
DEFINITIONS

As used in the Plan, as defined below, and in this Disclosure Statement, as also defined below, the following terms shall have the meanings specified below, unless the context requires otherwise:

18.1 **Administrative Claim** shall mean a Claim for payment of costs or expenses of administration specified in Sections 503(b) and 507(a)(2) of the Bankruptcy Code, incurred after the Petition Date through the Confirmation Date, including without limitation: (i) the actual, necessary costs and expenses of preserving the Debtor's estate incurred after the Petition Date: (ii) compensation for legal, accounting and other services

and reimbursement of expenses awarded pursuant to Sections 330(a) or 331 of the Bankruptcy Code; and (iii) all fees and charges assessed against the Debtor's estate pursuant to Section 1930 of Title 28 of the United States Code.

18.2 **Allow, Allowed, Allowance** or words of similar meaning shall mean with respect to a Claim against the Debtor's estate: (i) that no objection has been interposed within the applicable period of limitation fixed by this Plan or by the Bankruptcy Court and that such period of limitation has expired; or (ii) that the Claim has been allowed for purposes of payment by an order of the Bankruptcy Court that is no longer subject to appeal or certiorari and as to which no appeal or certiorari is pending.

18.3 **Bankruptcy Code (the "Code")** shall mean the Bankruptcy Reform Act of 1978, as amended, Title 11, United States Code, which governs the Chapter 11 Case of the Debtor.

18.4 **Bankruptcy Court (the "Court")** shall mean the United States Bankruptcy Court for the Southern District of Florida, West Palm Beach Division, or any other Court exercising competent jurisdiction over the Chapter 11 Case or any proceeding arising in or related to the Chapter 11 Case.

18.5 **Bankruptcy Rules** shall mean the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court (including any applicable local rules of the United States District Court for the Southern District of Florida), as now in effect or hereafter amended.

18.6 **Bar Date** shall mean the date by which proofs of claim must be filed against the Debtor's estate.

18.7 **Business Day** shall mean a day other than Saturday, Sunday or legal

holidays.

18.8 **Cash** shall mean cash or equivalents, including without limitation checks, bank deposits, proceeds or other similar items.

18.9 **Chapter 11 Case** shall mean the proceeding under Chapter 11 of the Bankruptcy Code for the reorganization of the Debtor herein.

18.10 **Claim(s)** shall have the meaning provided for such terms in Section 101(5) of the Bankruptcy Code.

18.11 **Claim Reserve** shall mean Funds to be held by the Debtor in respect of a Disputed Claim, pending entry of a Final Order on the allowance or disallowance of such Disputed Claim.

18.12 **Claimant or Creditor** shall mean the holder of a Disputed Claim or Allowed Claim, as the case may be.

18.13 **Class** shall mean a group of Claims or Interests consisting of Claims or Interests which are substantially similar to each other as classified pursuant to the Plan in accordance with Section 1122 of the Bankruptcy Code.

18.14 **Collateral** shall mean with respect to any particular Secured Creditor, any and all of the Debtor's assets which are security for the Claims asserted as Secured Claims by the particular Creditor.

18.15 **Confirmation or Confirmation Date** shall mean the date upon which the Confirmation Order is entered on the Bankruptcy Court's docket.

18.16 **Confirmation Hearing** shall mean the hearing on the confirmation of the Plan, at which time the Court will consider objections to confirmation, if any.

18.17 **Confirmation Order** shall mean the Order of the Bankruptcy Court

confirming this Plan pursuant to Section 1129 of the Bankruptcy Code.

18.18 **Creditor** shall mean any person or entity that is a holder of a Claim against the Debtor.

18.19 **Debtor** shall mean GLADES BREWERY PARTNERS, LTD. and GLADES BREWERY PARTNERS, INC.

18.20 **DIP Account(s)** shall mean the bank accounts set up and maintained by the Debtor in approved depositories and which accounts are property of the bankruptcy estate.

18.21 **Disclosure Statement** shall mean the Disclosure Statement for the Plan of Reorganization proposed by the Debtor as approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code, as such Disclosure Statement may be amended, modified or supplemented from time to time (and all exhibits and schedules attached thereto or referred to therein).

18.22 **Disbursing Agent** shall mean Morris L. Stoltz.

18.23 **Disputed Claim** shall mean (i) a liability scheduled on the Schedules or the Amended Schedules as disputed, contingent or unliquidated; or (ii) timely filed proofs of Claim against which an objection is pending, or is filed within the deadline provided in this Plan and which Claim has not been allowed by order of the Bankruptcy Court.

18.24 **Disputed Claim Reserve** shall mean Funds to be held by the Debtor in respect to a Disputed Claim, pending the entry of a Final Order on the allowance or disallowance of such Disputed Claim.

18.25 **Effective Date** shall mean the fifteenth (15^{th}) day after entry of the confirmation Order. In the event of an appeal, absent the entry of a stay, the Effective

Date shall be the fifteenth (15th) day after entry of the Confirmation Order. In the event the Confirmation Order is stayed pending appeal, the Effective Date shall be the fifteenth (15th) day after the entry of an Order either lifting the stay or affirming the Confirmation Order.

18.26 **Estate Claims** shall mean claims asserted by the Debtor on behalf of the Estate, against any third party, whether under the Bankruptcy Code or other applicable law.

18.27 **Final Order** shall mean an order or judgment of the Bankruptcy Court that is appealable of right to the United States District Court for the Southern District of Florida pursuant to Section 158(a) of Title 28, United States Code, whether or not an appeal can be timely taken, is taken or is pending unless the order is stayed pending appeal, and whether or not a timely motion is filed under Bankruptcy Rule 7052 or 9023.

18.28 **Final Report** shall mean the Final Report on Distribution and Request for Entry of Final Decree Closing Case to be filed by the Debtor.

18.29 **General Unsecured Claim or Unsecured Claim** shall mean any Claim against the estate of the Debtor other than an Administrative Claim, a Secured Claim, a Priority Claim or a Priority Tax Claim.

18.30 **Insider(s)** shall have the meaning given such term in Section 101(31) of the Bankruptcy Code, including without limitation Stoltz related entities.

18.31 **Notice Parties** shall mean all parties entitled to notice of filings or other matters, as set forth in the Plan which includes all Classes, the United States Trustee, the Debtor and Debtor's Counsel, excluding in any particular circumstance the party that itself filed the matter required to be served.

18.32 **Petition Date** shall mean the date that the voluntary petition was filed in the Chapter 11 Case, which date was June 25, 2014.

18.33 **Plan** shall mean this Plan of Reorganization in its entirety, together with all addenda, exhibits, schedules and other attachments hereto, in its present form or as it may be modified, amended or supplemented from time to time.

18.34 **Priority Claim** shall mean any Claim entitled to priority under Section 507 of the Bankruptcy Code other than an Administrative Claim or Priority Tax Claim.

18.35 **Reorganized Debtor** shall mean GLADES BREWERY PARTNERS, LTD. and GLADES BREWERY PARTNERS, INC.

18.36 **Secured Claim** shall mean a Claim pursuant to Section 506(a) of the Bankruptcy Code, which is secured by a lien on property in which the Debtor has an interest or that is subject to set-off under Section 553 of the Bankruptcy Code.

18.37 **Schedules or Amended Schedules** shall mean the Schedules and Amended Schedules filed or which may be filed by the Debtor in the Chapter 11 Case.

18.38 **United States Trustee** shall mean the Assistant United States Trustee for the Southern District of Florida.

18.39 **Unliquidated Claim(s)** shall mean all Claims scheduled as such by the Debtor and any Claim filed by Claimant without a specific dollar amount identified therein.

18.40 **Undefined Terms**. A term used but not defined herein shall have the meaning given to it by the Bankruptcy Code or the Bankruptcy Rules, if used therein.

Dated this the 4th day of October, 2016

GLADES BREWERY PARTNERS, LTD.
GLADES BREWERY PARTNERS, INC.

/s/
MORRIS L. STOLTZ

RAPPAPORT OSBORNE RAPPAPORT & KIEM, PL
Attorneys for Debtor
1300 North Federal Highway
Squires Building, Suite 203
Boca Raton, Florida 33432
Telephone (561) 368-2200

BY: /s/
KENNETH S. RAPPAPORT, ESQ.
Florida Bar No. 132333
TAREK K. KIEM, ESQ.
Florida Bar No. 637041

Glades Brewery Partners, Ltd.

Schedule of Receipts and Disbursments

For the Period Beginning August 1, 2016 and ending August 31, 2016

	Current Month	Cumulative Petition to Date 6/25/14-08/31/16
Funds at the Beginning of Period:		
Cash Drawers	800.00	800.00
Petty Cash	2,700.00	2,200.00
Great Florida Bank	-	10,122.80
Great Florida Bank	-	2,981.59
Regions Operating	-	576.64
Regions Money Market	-	166.49
Stonegate - Merchant	-	9,905.03
Regions DIP	17,282.78	-
Total Funds	20,782.78	26,752.55
Cash Sales	-	131,426.06
Collections - Credit card sales	216,994.80	6,451,736.69
Credit card discounts	(3,768.15)	(99,881.85)
Other receipts	60,921.09	1,276,247.26
Total receipts	274,147.74	7,759,528.16
Total Funds available for operations	294,930.52	7,786,280.71
Disbursements		
A Advertising	1,063.57	34,201.98
B Bank charges	115.50	5,206.20
D Fixed Asset Payments	-	12,668.78
E Insurance	11,193.68	199,898.03
F Inventory Payments	64,620.86	2,156,950.65
G Leases	-	23,220.40
I Office supplies	1,064.28	15,392.63
J Payroll	97,243.10	2,506,637.33
K Professional fees	120.66	1,465.66
L Rent	42,811.00	1,005,241.10
M Repair and Maintenance	10,437.51	302,623.19
N Secured Creditor Payments	-	1,968.26
O Taxes paid - payroll	11,508.58	304,344.16
P Taxes paid - sales and Tang. Personnal Property	12,337.86	373,555.10
U Telephone	3,145.09	7,224.97
Y U.S. Trustee quarterly fees	-	42,250.00
U Utilities	17,405.82	367,254.43
W Other Operating Expenses	14,732.82	419,047.65
Total Disbursements	287,800.33	7,779,150.52
Funds at the End Period:		
Cash Drawers	800.00	800.00
Petty Cash	4,500.00	4,500.00
Regions DIP	3,630.19	3,630.19
Total Funds	8,930.19	8,930.19

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 18 day of September, 2016.

Signature

EXHIBIT "A"

Glades Brewery Partners, Ltd.
Schedule of Receipts and Disbursements
For the Period Beginning July 1, 2016 and ending July 31, 2016

	Current Month	Cumulative Petition to Date 6/25/14-07/31/16
Funds at the Beginning of Period:		
Cash Drawers	800.00	800.00
Petty Cash	2,700.00	2,200.00
Great Florida Bank	-	10,122.80
Great Florida Bank	-	2,981.59
Regions Operating	-	576.64
Regions Money Market	-	166.49
Stonegate - Merchant	-	9,905.03
Regions DIP	2,294.60	-
Total Funds	5,794.60	26,752.55
Cash Sales	3,673.50	181,426.06
Collections - Credit card sales	208,671.91	6,234,741.89
Credit card discounts	(3,374.66)	(96,113.70)
Other receipts	74,297.78	1,215,326.17
Total receipts	283,288.53	7,485,380.42
Total Funds available for operations	289,083.13	7,512,132.97
Disbursements		
A Advertising	1,244.49	33,138.41
B Bank charges	179.95	5,050.70
C Contract Labor	-	-
D Fixed Asset Payments	-	12,668.78
E Insurance	2,095.34	188,704.35
F Inventory Payments	74,785.65	2,092,329.79
G Leases	-	23,220.40
H Manufacturing Supplies	-	-
I Office supplies	1,132.33	14,328.35
J Payroll	81,750.89	2,409,394.28
K Professional fees	225.00	1,345.00
L Rent	42,811.80	962,430.10
M Repair and Maintenance	10,844.32	292,185.68
N Secured Creditor Payments	-	1,966.26
O Taxes paid - payroll	9,008.41	292,885.58
P Taxes paid - sales and Tang. Personnal Property	11,605.09	361,217.24
Q Taxes paid - other	-	-
U Telephone	1,051.19	4,079.88
S Travel and entertainment	-	-
Y U.S. Trustee quarterly fees	5,200.00	42,250.00
U Utilities	10,361.11	349,848.61
V Vehicle expenses	-	-
W Other Operating Expenses	15,989.64	404,314.83
		-
		-
		-
Total Disbursements	268,280.95	7,491,350.19
Funds at the End Period:		
Cash Drawers	800.00	800.00
Petty Cash	2,700.00	2,700.00
Regions DIP	17,282.78	17,282.78
Total Funds	20,782.78	20,782.78

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 17 day of August, 2016.

Signature

Glades Brewery Partners, Ltd.

Schedule of Receipts and Disbursments

For the Period Beginning June 1, 2016 and ending June 30, 2016

	Current Month	Cumulative Petition to Date 6/25/14-06/30/16
Funds at the Beginning of Period:		
Cash Drawers	800.00	800.00
Petty Cash	2,700.00	2,200.00
Great Florida Bank	-	10,122.80
Great Florida Bank	-	2,981.59
Regions Operating	-	576.64
Regions Money Market	-	166.49
Stonegate - Merchant	-	9,905.03
Regions DIP	19,137.09	-
Total Funds	22,637.09	26,752.55
Cash Sales	4,575.90	127,752.56
Collections - Credit card sales	194,714.99	6,026,069.98
Credit card discounts	(3,573.17)	(92,739.04)
Other receipts	57,967.04	1,141,028.39
Total receipts	253,684.76	7,202,111.89
Total Funds available for operations	276,321.85	7,228,864.44
Disbursements		
A Advertising	2,032.31	31,893.92
B Bank charges	94.50	4,910.75
D Fixed Asset Payments	-	12,668.78
E Insurance	10,932.25	186,609.01
F Inventory Payments	67,235.03	2,021,225.71
G Leases	-	29,220.40
I Office supplies	121.79	13,196.02
J Payroll	87,426.74	2,327,643.34
K Professional fees	100.00	1,120.00
L Rent	42,811.00	919,619.10
M Repair and Maintenance	9,085.31	281,341.36
N Secured Creditor Payments	-	1,968.26
O Taxes paid - payroll	9,705.06	283,832.17
P Taxes paid - sales and Tang. Personnal Property	13,060.50	349,611.15
U Telephone	1,051.13	3,028.75
Y U.S. Trustee quarterly fees	-	37,050.00
U Utilities	15,585.10	339,487.50
W Other Operating Expenses	14,968.10	388,325.19
Total Disbursements	274,208.82	7,226,751.41
Funds at the End Period:		
Cash Drawers	800.00	800.00
Petty Cash	2,700.00	2,700.00
Regions DIP	(1,386.97)	(1,386.97)
Total Funds	2,113.03	2,113.03

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 17 day of July, 2016.

Signature

Glades Brewery Partners, Ltd.

Schedule of Receipts and Disbursments

For the Period Beginning May 1, 2016 and ending May 31, 2016

	Current Month	Cumulative Petition to Date 6/25/14-05/31/16
Funds at the Beginning of Period:		
Cash Drawers	800.00	800.00
Petty Cash	2,700.00	2,200.00
Great Florida Bank	-	10,122.80
Great Florida Bank	-	2,981.59
Regions Operating	-	576.64
Regions Money Market	-	166.49
Stonegate - Merchant	-	9,905.03
Regions DIP	9,154.48	-
Total Funds	12,654.48	26,752.55
Cash Sales	3,646.52	123,176.66
Collections - Credit card sales	220,891.18	5,831,354.99
Credit card discounts	(3,820.37)	(89,165.87)
Other receipts	53,638.43	1,083,061.35
Total receipts	274,355.76	6,948,427.13
Total Funds available for operations	287,010.24	6,975,179.68
Disbursements		
A Advertising	510.36	29,861.61
B Bank charges	94.00	4,816.25
D Fixed Asset Payments	-	12,668.78
E Insurance	2,013.21	175,676.76
F Inventory Payments	62,919.61	1,953,990.68
G Leases	-	23,220.40
I Office supplies	482.69	13,074.23
J Payroll	101,804.53	2,240,216.60
K Professional fees	100.00	1,020.00
L Rent	42,769.97	876,808.10
M Repair and Maintenance	7,289.70	272,256.05
N Secured Creditor Payments	-	1,968.26
O Taxes paid - payroll	12,152.42	274,127.11
P Taxes paid - sales and Tang. Personnal Property	13,846.62	336,550.65
U Telephone	951.13	1,977.62
Y U.S. Trustee quarterly fees	-	37,050.00
U Utilities	7,270.71	329,902.40
W Other Operating Expenses	12,168.20	373,357.09
Total Disbursements	264,373.15	6,952,542.59
Funds at the End Period:		
Cash Drawers	800.00	800.00
Petty Cash	2,700.00	2,700.00
Regions DIP	19,137.09	19,137.09
Total Funds	22,637.09	22,637.09

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 17 day of June, 2016.

Signature

Glades Brewery Partners, Ltd.
Schedule of Receipts and Disbursements
For the Period Beginning April 1, 2016 and ending April 30, 2016

		Current Month	Cumulative Petition to Date 6/25/14-04/30/16
Funds at the Beginning of Period:			
	Cash Drawers	800.00	800.00
	Petty Cash	2,700.00	2,200.00
	Great Florida Bank	-	10,122.80
	Great Florida Bank	-	2,981.59
	Regions Operating	-	576.64
	Regions Money Market	-	166.49
	Stonegate - Marchant	-	9,905.03
	Regions DIP	5,421.65	-
	Total Funds	8,921.65	26,752.55
Cash Sales		3,550.00	135,530.16
Collections - Credit card sales		281,685.86	5,610,463.81
	Credit card discounts	(4,353.04)	(85,345.50)
Other receipts		59,852.74	1,029,422.52
Total Receipts		290,735.16	6,674,071.97
Total Funds available for operations		299,656.81	6,700,823.62
Disbursements			
A	Advertising	1,117.91	29,351.25
B	Bank charges	111.42	4,722.25
C	Contract Labor	-	-
D	Fixed Asset Payments	-	12,668.78
E	Insurance	6,322.83	173,653.55
F	Inventory Payments	78,285.11	1,891,071.07
G	Leases	-	23,220.40
H	Manufacturing Supplies	-	-
I	Office supplies	251.58	12,501.56
J	Payroll	87,503.91	2,138,412.07
K	Professional fees	105.00	920.00
L	Rent	43,778.63	834,038.13
M	Repair and Maintenance	8,636.71	264,966.35
N	Secured Creditor Payments	-	1,068.26
O	Taxes paid - payroll	11,278.43	261,974.69
P	Taxes paid - sales and Tang. Personnel Property	15,911.96	322,704.03
Q	Taxes paid - other	-	-
U	Telephone	1,026.49	1,026.49
S	Travel and entertainment	-	-
Y	U.S. Trustee quarterly fees	5,200.00	37,050.00
U	Utilities	12,760.60	316,631.69
V	Vehicle expenses	-	-
W	Other Operating Expenses	14,717.95	351,188.89
Total Disbursements		287,002.33	6,698,169.44
Funds at the End Period:			
	Cash Drawers	800.00	800.00
	Petty Cash	2,700.00	2,700.00
	Great Florida Bank	-	-
	Great Florida Bank	-	-
	Regions Operating	-	-
	Regions Money Market	-	-
	Stonegate - Marchant	-	-
	Regions DIP	9,154.48	9,154.48
	Total Funds	12,654.48	12,654.48

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 17 day of May, 2016.

Signature

Glades Brewery Partners, Ltd.

Schedule of Receipts and Disbursments

For the Period Beginning March 1, 2016 and Ending March 31, 2016

		Current Month	Cumulative Petition to Date 5/25/14-03/31/16
Funds at the Beginning of Period:			
	Cash Drawers	800.00	800.00
	Petty Cash	2,700.00	2,200.00
	Great Florida Bank	-	10,122.80
	Great Florida Bank	-	2,981.59
	Regions Operating	-	576.64
	Regions Money Market	-	166.49
	Stonegate - Merchant	-	9,905.03
	Regions DIP	29,594.71	-
	Total Funds	33,094.71	26,752.55
Cash Sales		7,969.03	115,990.54
Collections - Credit card sales		263,862.57	5,378,777.95
	Credit card discounts	(4,237.07)	(80,992.46)
Other receipts		33,711.22	969,560.18
Total receipts		301,305.75	6,383,336.21
Total Funds available for operations		334,400.46	6,410,088.76
Disbursements			
A	Advertising	1,045.65	28,234.14
B	Bank charges	433.76	4,610.83
E	Insurance	6,769.04	167,340.72
F	Inventory Payments	84,783.34	1,812,785.96
I	Office supplies	542.68	12,339.96
J	Payroll	111,339.32	2,050,908.16
K	Professional fees	215.00	820.00
L	Rent	42,769.97	790,259.30
M	Repair and Maintenance	15,288.14	256,329.64
N	Secured Creditor Payments	-	1,968.26
O	Taxes paid - payroll	15,164.00	250,696.26
P	Taxes paid - sales and Tang. Personnal Property	15,543.20	306,792.67
Y	U.S. Trustee quarterly fees	-	31,850.00
U	Utilities	14,308.79	303,871.09
W	Other Operating Expenses	17,275.92	346,470.94
Total Disbursements		325,478.81	6,401,167.11
Funds at the End Period:			
	Cash Drawers	800.00	800.00
	Petty Cash	2,700.00	2,700.00
	Regions DIP	5,421.65	5,421.65
	Total Funds	8,921.65	8,921.65

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 17 day of April, 2016.

Signature

LIQUIDATION ANALYSIS
Glades Brewery Partners, LTD
Case No. 14-24492-EPK

A copy of the portion of the Debtor's latest DIP is available on the Court's docket evidencing Debtor's income and expenses during the Chapter 11.

I-ASSETS - CHAPTER 7 LIQUIDATION

Cash	5,300.00
Bank Accounts	3,650.00
Security Deposits	25,000.00
Accounts Receivables [FN 1]	5,500.00
Fixtures, Equipment and Supplies [FN 2]	15,500.00
Inventory [FN 3]	12,500.00
Leasehold Improvements [FN 4]	0.00
Lease of Premises [FN 5]	0.00
Total Assets [FN 6]	**$67,450.00**

II ADMINISTRATIVE/PRIORITY

Trustee Fee [FN 7]	9,000.00
Trustee Counsel and Related [FN 8]	20,000.00
Chapter 11 Administrative [FN 9]	1,130,000.00
Total Administrative Costs	**$1,159,000.00**

III ESTIMATED RECOVERY

Total Net Distribution	0.00
Total Unsecured Claims [FN 10]	$4,900,000.00
Estimated Distribution [FN 11]	**0.00%**

FOOTNOTES:

1. Assuming a Chapter 7 Trustee will be able to recover approximately 50% of the outstanding accounts receivables of approximately $11,000.00. However, Debtor believes under its management and ongoing operation that the accounts receivable will be 90-100% collectible.

2. Assuming a Chapter 7 Trustee will be able to recover approximately 50% of the fixtures, equipment, and supplies of an approximate scheduled value of $31,000.00.

Exhibit "B"

3. Assuming a Chapter 7 Trustee will be able to recover approximately 50% of the inventory of an approximate value of $25,000.00.

4. Assuming a Chapter 7 Trustee will not be able to liquidate and recover any of the leasehold improvements, since a Chapter 7 Trustee will likely not be able to continue to operate the restaurant to facilitate a sale of said improvements.

5. Assuming a Chapter 7 Trustee will not be able to meet the lease obligations, including curing any deficiencies under the lease so as to assume and assign the lease for the benefit of the creditors. The monthly lease payment is approximately $36,000.00 and the estimated cure amount per the Landlord's proof of claim is approximately $200,000.00.

6. This figure does not reflect the administrative expense of shutting down the business.

7. Based upon a Chapter 7 Trustee liquidating property totaling $115,000.00 and receiving 25% of first $5,000.00 collected, 10% of the next $45,000.00 collected, 5% of the next $950,000.00 collected and 3% of anything additional collected by the Trustee.

8. It is assumed that a Chapter 7 Trustee would hire an attorney and an accountant to assist in the administration of a Chapter 7 liquidation.

9. These figures consist of administrative expenses of the Chapter 11 including an insider loan of approximately $1,130,000.00 (which is being subordinated for the benefit of creditors pursuant to the Debtor's Chapter 11 Plan but will be entitled to payment as an allowed Chapter 11 administrative expense payable in a Chapter 7 proceedings), attorney's fees and related costs that for the most part have already been incurred in addition to estimates of U.S. Trustee disbursement fees.

10. This includes insider claims in the amount of approximately $4,000,000.00 which will be voluntarily subordinated pursuant to the Debtor's Chapter 11 Plan. However, the foregoing claims would be entitled to payment in the event of a Chapter 7 liquidation.

11. It is worth noting that Florida Community Bank filed a $3.7 million secured claim and is asserting a security interest in all of the Debtor's collateral, including the leasehold, which its assignee would still be able to assert.

Glades Brewery Partners, Ltd.	Budget 12 Month period ending 31-Dec-17
Income	
· Food Sales	3,352,928.56
Beverage Sales	
- Liquor	176,075.59
- Brewed & Bottled Beer	250,720.56
- Wine	126,778.26
Total Beverage Sales	553,574.41
- Retail merchandise	662.63
- Uniforms	829.61
· Sales - Loyalty Cards	7,078.49
Total Income	3,915,073.70
Cost of Goods Sold	
- Food	938,820.00
· Rebates from Vendors	(12,000.00)
- Brewed & Bottled Beer	52,375.52
- Liquor	38,736.63
- Wines	32,074.90
Total COGS	1,050,007.05
Gross Profit	2,865,066.65
Expense	
· Payroll Expenses	
· Front of HousePayroll	358,816.50
· Back of House Payroll	
· Kitchen Line	442,586.57
· Kitchen Prep	93,882.00
· Kitchen Hobart	117,352.50
· Total Back of House Labor	653,821.07
· Management Payroll	
· General Manager	52,000.00
· Asst. Manager	39,999.96
· Executive Chef	52,000.00
· Sous Chefs	73,000.20
Total · Management Payroll	217,000.16
· Other Payroll Expenses	
· Employee benefits	1,000.00
· Payroll Taxes	154,442.50
· Group health insurance	25,000.00
· Workers compensation insurance	24,346.83
Total · Other Payroll Expenses	204,789.33
Total · Payroll Expense	1,434,427.06

EXHIBIT "C"

Total Restaurant and Kitchen Supplies	234,904.42
Total Repairs & Maintenance	187,532.03
· Credit card discounts	77,126.95
· Memberships/dues & subscriptio	7,000.00
· License, fees and permits	2,000.00
Total · Complimentary Meals	73,994.89
Total · Discounts / Promotions	117,452.21
Advertising and promotion	10,000.00
Other Marketing Expenses	5,000.00
Total Comps, Discounts and Advertising	206,447.10
· Utilities	
· Electric	67,000.00
· Water / Sewer	7,000.00
· Natural Gas	35,000.00
· Propane Gas	1,000.00
· Telephone/Communications/Music	3,500.00
· Cable TV - Direct TV	18,000.00
· Trash	34,000.00
Total 74999 · Utilities	165,500.00
	-
Total · Controllable Expenses	2,314,937.57
Net Ordinary Income	550,129.08
Other Income/Expense	
Sale of Brewery Equipment	150,000.00
· Non-Controllable Expenses	
· Service charges and penalties	1,300.00
· Educational	1,200.00
· Rent	445,858.54
· Insurance	75,000.00
· Tangible property taxes	1,000.00
Total · Non-Controllable Expenses	524,358.54
Net Income	**175,770.54**