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In Re:

NASSAU TOWER REALTY, LLC, A
New Jersey Limited Liability Company,

Debtor

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Case No. 13-24984(MBK)

Chapter 11

DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY
CODE DESCRIBING CHAPTER 11 PLAN OF REORGANIZATION PROPOSED BY
NASSAU TOWER REALTY, LLC

**PLEASE READ THIS DISCLOSURE STATEMENT CAREFULLY. THIS
DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON
YOUR DECISION TO ACCEPT OR REJECT THIS PLAN OF REORGANIZATION.
THE PLAN PROPONENT BELIEVES THAT THIS PLAN OF REORGANIZATION IS
IN THE BEST INTEREST OF THE CREDITORS AND THAT THE PLAN IS FAIR AND
EQUITABLE. THE PROPONENT URGES THAT THE VOTER ACCEPT THE PLAN.**

NASSAU TOWER REALTY, LLC
Proponent

s/ Louis Mercatanti

Dated:

By:

LOUIS MERCATANTI, President
Nassau Holdings, Inc., Sole Member of Proponent

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I. INTRODUCTION

Nassau Tower Realty, LLC (the “Debtor”), a New Jersey limited liability company, is the Debtor in a Chapter 11 bankruptcy case. On July 9, 2013 (the Petition Date”) the Debtor commenced a bankruptcy case by filing a Chapter 11 petition under the United States Bankruptcy Code (“Code”), 11 U.S.C. §101, et seq. Chapter 11 of the Code allows the Debtor, and under some circumstances, creditors and other parties in interest, to propose a plan of reorganization (“Plan”). The Plan may provide for the Debtor to reorganize by continuing to operate, to liquidate by selling assets of the estate, or a combination of both.

The Debtor (the “Proponent”) is the party proposing the Plan sent to you in the same envelope as this document. **THE DOCUMENT YOU ARE READING IS THE DISCLOSURE STATEMENT FOR THE PLAN WHICH IS ANNEXED HERETO AS EXHIBIT A.**

This is a Chapter 11 plan of reorganization. In other words, the Proponent seeks to accomplish payments under the plan by the sale of certain assets, and the retention of other assets.

A. Purpose of This Document

This Disclosure Statement summarizes what is in the Plan, and tells you certain information relating to the Plan and the process the Court follows in determining whether or not to confirm the Plan.

READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO KNOW ABOUT:

- (1) WHO CAN VOTE OR OBJECT,**
- (2) THE PROPOSED TREATMENT OF YOUR CLAIM (i.e., what your claim will receive if the Plan is confirmed), AND HOW THIS TREATMENT COMPARES TO WHAT YOU WOULD RECEIVE IN LIQUIDATION,**
- (3) THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS DURING THE BANKRUPTCY,**
- (4) WHAT THE COURT WILL CONSIDER WHEN DECIDING WHETHER TO CONFIRM THE PLAN,**
- (5) THE EFFECT OF CONFIRMATION, AND**

(6) THE FEASIBILITY OF THE PLAN.

This Disclosure Statement cannot tell you everything about your rights. You should consider consulting your own lawyer to obtain more specific advice on how this Plan will affect you and what is the best course of action for you.

Be sure to read the Plan as well as the Disclosure Statement. If there are any inconsistencies between the Plan and the Disclosure Statement, the Plan provisions will govern.

Code Section 1125 requires a Disclosure Statement to contain “adequate information” concerning the Plan. The term “adequate information” is defined in Code Section 1125(a) as “information of a kind, and in sufficient detail,” about a debtor and its operations “that would enable a hypothetical reasonable investor typical of holders of claims or interests” of the debtor to make an informed judgment about accepting or rejecting the Plan. The Bankruptcy Court (“Court”) has determined that the information contained in this Disclosure Statement is adequate, and it has approved this document in accordance with Code Section 1124.

This Disclosure Statement is provided to each creditor whose claim has been scheduled by the Debtor or who has filed a proof of claim against the Debtor and to each interest holder of record as of the date of approval of this Disclosure Statement. Under the Bankruptcy Code, your acceptance of the Plan may not be solicited unless you receive a copy of this Disclosure Statement prior to or concurrently with such solicitation.

B. Confirmation Procedures

Persons Potentially Eligible to Vote on the Plan

In determining acceptance of the Plan, votes will only be counted if submitted by a creditor whose claim is duly scheduled by the Debtor as undisputed, non-contingent and unliquidated, or who, prior to the hearing on confirmation of the Plan, has filed with the Court a proof of claim which has not been disallowed or suspended prior to computation of the votes on the Plan. All shareholders of record as of the date of approval of this Disclosure Statement may vote on the Plan.

The Ballot Form that you received does not constitute a proof of claim. If you are uncertain whether your claim has been correctly scheduled, you should check the Debtor’s Schedules, which are on file at the office of the Clerk of the Bankruptcy Court located at: United States Bankruptcy Court, U.S. Court House, 401 East State Street, Trenton, New Jersey. The Clerk of the Bankruptcy Court will not provide this information by telephone.

THE COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE NOT YET BINDING ON ANYONE. HOWEVER, IF THE COURT LATER CONFIRMS

THE PLAN, THEN THE PLAN WILL BE BINDING ON THE DEBTOR AND ON ALL CREDITORS AND INTEREST HOLDERS IN THIS CASE.

1. Time and Place of the Confirmation Hearing

The hearing at which the Court will determine whether to confirm the Plan will take place on _____, at _____ o'clock _____.m. in Courtroom _____, in the United States Bankruptcy Court for the District of New Jersey, 401 East State Street, Trenton, New Jersey, 08608.

2. Deadline For Voting For or Against the Plan

If you are entitled to vote, it is in your best interest to timely vote on the enclosed ballot and return the ballot in the enclosed envelope to the clerk of the United States Bankruptcy Court for the District of New Jersey, 401 East State Street, Trenton, New Jersey, 08608.

Your ballot must be received by _____ or it will not be counted.

3. Deadline For Objecting to the Confirmation of the Plan

Objections to the confirmation of the Plan must be filed with the Court and served upon the following by _____, 2013.

MASELLI WARREN, P.C.
Paul J. Maselli, Esquire
600 Alexander Road, Suite 3-4A
Princeton, NJ 08540

OFFICE OF THE UNITED STATES TRUSTEE
1 Newark Center, Suite 21B
Newark, NJ 07102

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

Any interested party desiring further information about the Plan should contact Paul J. Maselli, Esquire at the address above, at telephone number 609-452-8411.

C. Disclaimer

The financial data relied upon in formulating the Plan is based on information provided by the Debtor. The information contained in this Disclosure Statement is provided by both the

Debtor and TD Bank. The Plan Proponent represents that everything stated in the Disclosure Statement is true to the Proponent's best knowledge.

PLEASE NOTE THAT THE APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE A RULING ON THE MERITS, FEASIBILITY OR DESIRABILITY OF THE PLAN.

II. BACKGROUND

A. Description and History of the Debtor's Business

The Debtor is the owner of 17 parcels of real estate. It owns 13 parcels in New Jersey, 3 parcels in Pennsylvania, one parcel in Maine.

Most of the properties generate income in the form of rents paid by tenants. Most of the properties are commercial properties, and a few are residential properties.

B. Events Leading to Chapter 11 Filing

The Debtor borrowed money from two institutional lenders, Sovereign Bank and TD Bank. The Debtor granted these banks mortgages on several of its properties to secure repayment of the loans. Louis Mercatanti, the president of Nassau Holdings, Inc., which is the sole member of the Debtor, provided his personal guaranty for repayment of these loans.

Nassau Tower Holdings, LLC, ("NTH") a New Jersey limited liability company is also wholly owned by Nassau Holdings, Inc. NTH is a co-borrower with the Debtor for the loans from Sovereign Bank and TD Bank. NTH also owns several parcels of real estate and granted Sovereign Bank and TD Bank mortgages on its properties to secure repayment of the loans.

Prior to the filing of the bankruptcy petition, TD obtained a judgment in foreclosure from the Superior Court of New Jersey with regard to its mortgage on several of the Debtor's New Jersey properties. The foreclosure judgment was entered on September 12, 2012 and provides that the amount due to TD Bank from the Debtor is \$12,236,266.19 as of August 4, 2012, plus interest at the judgment rate. The judgment rate of interest for the year 2012 is 2.5% and for the year 2013 is 2.25%. Thereafter, TD Bank scheduled public auctions via sheriff sales, as permitted by its foreclosure judgment.

One property of the Debtor and two properties of NTH were sold at public auction (the "Sold Properties"). Prior to the public auction of the Sold Properties, TD Bank and the Debtor agreed to an amount to be applied against the loans in the event that TD Bank became the successful bidder at the public auctions. These amounts are referred to as "Fair Value Credits." The Fair Value Credits were calculated based upon the value of the Sold Properties, as

determined by TD Bank’s appraisals of the properties, less the amount outstanding for municipal taxes and utility charges.

TD Bank was the successful bidder at the public auctions. In late July, 2013 or early August, 2013, the sheriffs who conducted the public auctions delivered deeds to TD Bank for the Sold Properties.

The Sold Properties and the fair value credits are set forth below:

Owner	Address	Value	Taxes and Utilities	Fair Value Credit
Debtor	103 Locktown Rd. Flemington, NJ	\$790,000	\$13,500	\$776,500
NTH	1100 Hamburg Ave, Egg Harbor, NJ	\$140,000	\$5,000	\$135,000
NTH	46 Clayton Road, Howell, NJ	\$360,000	\$30,000	\$330,000

Public auctions took place on two other properties with the following addresses: 3245 Route 35 North, Lavallette, NJ and 1015 Route 9 Bayville, NJ. The Debtor filed objections to these public auctions with the Superior Court of New Jersey as permitted by New Jersey state law. The objections were not adjudicated by the Superior Court of New Jersey at the time of the filing of the bankruptcy petition and therefore, those sales have not yet been confirmed or consummated.

Public auctions were scheduled for other properties of the Debtor. Because the Debtor could not resolve the claims of TD Bank and prevent the public auctions from proceeding, the Debtor filed for Chapter 11 bankruptcy protection in an effort to prevent the foreclosure proceedings to be completed.

C. Assets

Attached hereto as Schedule A is a chart setting forth the Debtor’s real estate assets.

The Debtor owns a claim against Intex Environmental Group, Inc. (“Intex”). The Debtor owns a property located at 71 North Main Street, Lambertville, NJ. At the time of purchase, the Debtor hired Intex to conduct an environmental inspection of the property. The property had an underground oil tank, however, Intex failed to discover it. The Debtor relied on Intex report when it bought the property. In the year prior to the bankruptcy, the Debtor had a contract of sale to sell this property. The purchaser’s environmental consultant conducted an inspection and discovered the previously undisclosed underground oil tank. The Debtor incurred costs of

approximately \$100,000 to have the tank removed in accordance with environmental regulations. Had Intex discovered the underground tank at the time of its inspection, the Debtor would have required the previous owner to remove the tank at the previous owner's cost and, if the owner refused, the Debtor would have cancelled the transaction and not purchased the property. .

The rents generated by properties subject to TD Bank's foreclosure judgment are not assets of the Debtor as those rents were assigned to TD Bank as security for its debt.

The rents generated by properties not subject to TD Bank's foreclosure judgment are assets of the Debtor. Those rents have been pledged to secure the Debtor's obligations to Sovereign bank and are used to service the debt to Sovereign Bank.

D. Significant Events During the Bankruptcy

The following is a chronological list of significant events which have occurred during this Chapter 11 bankruptcy proceeding:

- July 9, 2013, bankruptcy petition and schedules filed by the Debtor
- The Court approved the Debtor's retention of attorneys, special legal counsel to the Debtor for real estate matters, and real estate brokers.
- The Debtor and TD Bank entered a Stipulation regarding the ownership, collection and use of rents generated by leases on properties subject to the mortgage lien of TD Bank.
- The Debtor sought permission to sell certain parcels of real property. The Court approved the sale of four parcels of real estate. Those sales are pending at the time of the filing of this Disclosure Statement.
- The Debtor filed two adversary proceeding complaints against two creditors (Second Goodier, LLC and The ELM Group, Inc.) seeking an order declaring that their alleged secured claims are unsecured pursuant to bankruptcy law.

III. SUMMARY OF THE PROPONENT'S PLAN OF REORGANIZATION.

A. What Creditors and Interest Holders Will Receive Under the Proposed Plan

The Plan classifies claims and interests in various classes. The Plan states whether each

class of claims or interests is impaired or unimpaired. The Plan provides the treatment each class will receive.

B. Unclassified Claims

Certain types of claims are not placed into voting classes. They are not considered impaired and they do not vote on the Plan because they are automatically entitled to specific treatment provided for them in the Bankruptcy Code. As such, the Proponent has not placed the following claims in a class:

1. Administrative Expenses and Fees

Administrative expenses are claims for fees, costs or expenses of administering the Debtor's Chapter 11 case which are allowed under Code Section 507(a)(1), including all professional compensation requests pursuant to Sections 330 and 331 of the Code. The Code requires that all administrative expenses including fees payable to the Bankruptcy Court and the Office of the United States Trustee which were incurred during the pendency of the case must be paid on the Effective Date of the Plan, unless a particular claimant agrees to a different treatment.

Administrative expense claims are estimated to be \$75,000. This includes legal fees and costs incurred by the Debtor and the Debtor's obligation to make payments to the United States Trustee.

Court Approval of Professional Compensation Required:

Pursuant to the Bankruptcy Code, the Court must rule on all professional compensation and expenses listed in this chart before the compensation and expenses will be owed. The professional in question must file and serve a properly noticed fee application for compensation and reimbursement of expenses and the Court must rule on the application. Only the amount of compensation and reimbursement of expenses allowed by the Court will be owed and required to be paid under this Plan as an administrative claim.

Each professional person who asserts a further administrative claim that accrues before the confirmation date shall file with the Bankruptcy Court, and serve on all parties required to receive notice, an application for compensation and reimbursement of expenses no later than thirty (30) days after the Effective Date of the Plan. Failure to file such an application timely shall result in the professional person's claim being forever barred and discharged. Each and every other person asserting an administrative claim shall be entitled to file a motion for allowance of the asserted administrative claim within ninety days of the Effective Date of the Plan, or such administrative claim shall be deemed forever barred and discharged. No motion or application is required to fix the fees payable to the Clerk's Office or Office of the United States Trustee. Such fees are determined by statute.

As indicated above, the Debtor will need to pay \$75,000 of administrative claims and fees on the Effective Date of the Plan unless a claimant has agreed to be paid later or the Court has not yet ruled on the claim. The administrative claims will be paid from the Debtor's cash on hand on the Effective Date. The cash on hand will be generated (see below) from the Debtor's refinance of certain properties.

2. Priority Tax Claims

Priority tax claims are certain unsecured income, employment and other taxes described by Code Section 507(a)(8)39 . The Code requires that each holder of such a Section 507(a)(8) priority tax claim receive the present value of such claim in deferred cash payments, over a period not exceeding six years from the date of the assessment of such tax.

There are no priority tax claims.

C. Classified Claims and Interests

1. Classes of Secured Claims

Secured claims are claims secured by liens on property of the estate.

The Proponent's Plan sets forth four classes of Secured Creditors. The first class includes the secured claim of TD Bank. The second class includes the secured claim of Sovereign Bank. The third class includes the secured claim of Ocean First Bank. The fourth class includes the secured claims of various Pennsylvania and New Jersey municipal taxing authorities who, pursuant to applicable state law, maintain first priority liens on all of the Debtor's real estate to secure the payment of municipal real estate taxes and utility charges.

The Proponent's Plan proposes that Sovereign Bank shall retain its secured claim and its secured claim will be unaffected by the Proponent's Plan.

The Proponent's Plan proposes that Ocean First Bank shall retain its secured claim and its secured claims will be unaffected by the Proponent's Plan.

The Proponent's Plan proposes to pay the secured claim of TD Bank in full. The gross amount due on the foreclosure judgment as of September 1, 2013 was approximately \$12,513,766.19 (judgment for \$12,236,266.19, plus approximately \$270,000 of post-judgment interest, plus \$7,500 of attorney fees).¹

¹ The calculation in this Disclosure Statement of the balance owed to TD Bank on its foreclosure judgment is only an estimate. The actual amount of the claim will be determined either by agreement of the Debtor and TD Bank, or through the claims-objection process.

The gross amount due has been reduced by roughly \$1,241,500 by virtue of the Fair Value Credits from the Sold Properties. The gross amount has also been reduced by the amount of the rents collected by TD Bank from the Debtor’s tenants. Since the time of entry of the foreclosure judgment, TD Bank has collected approximately \$803,000 in rents from the tenants of the Debtor. After reducing the foreclosure judgment by the amount of the Fair Value Credits from the Sold Properties and the amount of rents collected, the amount due on the foreclosure judgment is approximately \$10,469,266.

Payment of the balance of the foreclosure judgment will be accomplished by the sale of certain properties subject to the mortgage of TD Bank; the refinance of certain properties subject to the mortgage of TD Bank; and the turn over to TD Bank, for Fair Value Credit, of certain properties subject to the mortgage of TD Bank. In addition, NTH will also be turning over properties to TD for Fair Value Credit.

The action to be taken with respect to each of the properties subject to the mortgage of TD Bank is as follows:

Debtor Properties to be Sold				
Address	Gross Sale Price	Taxes and Utilities	Closing Costs	Net Sale Proceeds
140-144 Nassau Street, Princeton NJ Unit C-1	\$1,525,000	\$34,500	\$31,000	\$1,459,500
140-144 Nassau Street, Princeton NJ Unit C-2	\$2,248,000	\$80,000	\$42,000	\$2,286,000
2457 Perkomen Av.Mt. Penn,PA	\$285,000	\$24,000	\$20,000	\$241,000
			Total	\$3,986,500

Debtor Properties to be Turned Over to TD Bank For Fair Value Credit			
Address	Value	Taxes and Utilities	Fair Value Credit
1015 Route 9 Bayville, NJ	\$480,000	\$20,000	\$460,000
71 N. Main Street Lambertville, NJ	\$1,385,000	\$25,500	\$1,130,00

		Total	\$1,590,000
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NTH Properties to be Turned Over to TD Bank For Fair Value Credit			
Address	Value	Taxes and Utilities	Fair Value Credit
1377 Woodside Av Yardley, PA	\$1,000,000	\$35,000	\$965,000
Totts Gap Road, Stroud Twp. PA	\$10,000	\$1,000	\$9,000
191 Godfrey Ridge Rd. Stroud Twsp, PA	\$200,000	\$13,000	\$187,000
275 Lincoln Hgwy, Fairless Hills, PA	\$150,000	\$20,000	\$130,000
			\$1,291,000

Debtor Properties to be used to secure a refinance loan-Commitment Received					
Address	Value	Amount of Loan	Taxes and Utilities	Closing Costs	Net Proceeds
1501 Rt 35 Pt Pleasant NJ	\$3,600,00	\$3,450,000	\$25,000	\$60,000	\$3,365,000

Debtor Properties to be used to secure a refinance loan-Commitment Applied For ²		
Address	Value	Taxes and Utilities
3245 Rte 35 N., Lavallette, NJ	\$510,000	\$18,000
107 Paxinosa Rd. Easton, PA	\$675,000	\$40,000

²As of the time of the filing of this disclosure statement, the Debtor does not have a commitment In the event the Debtor is unable to obtain a commitment from a lender for the refinance of a property as of the date scheduled for a hearing on the confirmation of the Proponent’s Plan, then that property will be turned over to TD Bank in return for a Fair Value Credit.

22 South 6th St Stroudsburg, PA	\$400,000	\$5,000
Debtor anticipates receiving a commitment for a loan of \$1,600,000, with deductions of \$30,000 in closing costs and \$63,000 in taxes for net proceeds of \$1,537,000.		

It is noted that, after TD receives (a) the proceeds of the properties sold, (b) the proceeds of the refinance loan for which the Proponent has already received a commitment, and (c) the properties turned over by the Debtor and by NTH, the balance due on the foreclosure judgment will be less than \$400,000. Thus, the proceeds of the anticipated loan for \$1,600,000 will be sufficient to pay the balance of TD's foreclosure judgment, the unsecured creditors and the administration expenses.

The Proponent's Plan proposes that the municipal taxing authorities with liens on properties that are sold or refinanced will be paid from the proceeds of sale and the proceeds of the refinance loans. As to properties which the Debtor turns over to TD Bank the Proponent's Plan provides that the municipal taxing authorities shall retain their liens thereon.

2. Classes of Priority Unsecured Claims

Certain priority claims that are referred to in Code Sections 507(a)(3), (4), (5), (6), and (7) are required to be placed in classes. There are no priority claims in this case.

3. Class of General Unsecured Claims

General unsecured claims are uncollateralized claims not entitled to priority under Code Section 507(a). General unsecured claims will be paid in full from the proceeds of refinance loans to be obtained by the Debtor.

4. Class of Interest Holders

Interest holders are the parties who hold ownership interest (i.e., equity interest) in the Debtor. Interest holders include the member of the Debtor. The Interest Holders will retain their interests in the Debtor.

D. Means of Effectuating the Plan

On the Effective Date, the Debtor will deliver deeds to TD Bank for properties to be turned over for Fair Value Credits. On or before the Effective Date, the Debtor will sell the properties to be sold and complete the refinance transactions.

E. Other Provisions of the Plan

1. Executory Contracts and Unexpired Leases

The Plan provides that all Executory Contracts and Unexpired Leases, except for those specifically assumed by the Debtor by Court Order, shall be deemed rejected. All proofs of claim with respect to claims arising from said rejection must be filed with the Bankruptcy Court within the earlier of (I) the date set forth for filing claims in any order of the Bankruptcy Court approving such rejection or (ii) thirty (30) days after the Confirmation Date.

Any such claims, proofs of which are not filed timely, will be barred forever from assertion.

The Plan specifically provides that all the real estate leases in which the Debtor is the landlord shall be assumed by the Debtor.

2. Retention of Jurisdiction

The Court will retain jurisdiction as provided in Section of the Plan.

3. Procedures for Resolving Contested Claims.

The Disbursing Agent shall have 60 days subsequent to confirmation to object to the allowance of claims. The Proponent has reviewed the claims that have been filed. The Proponent has not identified any claims which it plans to object.

4. Effective Date

The Plan will become effective on the Effective Date which is the 60th date after which the order of confirmation becomes a final non-appealable order.

5. Modification

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

F. Tax Consequences of Plan

CREDITORS AND INTEREST HOLDERS CONCERNED WITH HOW THE PLAN MAY AFFECT THEIR TAX LIABILITY SHOULD CONSULT WITH THEIR OWN ACCOUNTANTS, ATTORNEYS, AND/OR ADVISORS.

G. Risk Factors

The following discussion is intended to be a non-exclusive summary of certain risks attendant upon the consummation of the Plan. You are encouraged to supplement this summary with your own analysis and evaluation of the Plan and Disclosure Statement, in their entirety, and in consultation with your own advisors. Based on the analysis of the risks summarized below, the Plan Proponent believes that the Plan is viable and will meet all requirements of confirmation.

There is no risk to Sovereign Bank or Ocean First Bank because their rights are unaffected by the Proponent's Plan. There is no risk to the municipal taxing authorities because their claims will either be paid in full, or their rights will be unaffected by the Proponent's Plan. There is no risk to TD Bank because the value of the assets which secure its claim exceeds the amount due on its claim. TD Bank will be paid in full either by the proceeds of the sale of assets, the proceeds of refinance loans made on the assets, or the delivery of the assets to TD Bank for Fair Value Credits.

The risk to general unsecured creditors is that the Debtor will not be able to refinance certain of its properties to raise enough money to pay the general unsecured secured creditors in full. The Plan Proponent believes that this is a risk worth taking. Any property not sold by the Debtor or turned over to TD Bank, will revert in the Debtor. An unsecured creditor who has not been paid in full from the Debtor through a refinance will have the right to seek collection through the state law collection processes and the Debtor will own assets of a value sufficient for unsecured creditors to collect from.

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OF THIS PLAN SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON CONFIRMING A PLAN OF REORGANIZATION IS VERY COMPLEX.

The following discussion is intended solely for the purpose of alerting readers about basic confirmation issues, which they may wish to consider, as well as certain deadlines for filing claims. The proponent CANNOT and DOES NOT represent that the discussion contained below is a complete summary of the law on this topic.

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

A. Who May Vote or Object

1. Who May Object to Confirmation of the Plan

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

2. Who May Vote to Accept/Reject the Plan

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

a. What Is an Allowed Claim/Interest

As noted above, a creditor or interest holder must first have an allowed claim or interest to have the right to vote. Generally, any proof of claim or interest will be allowed, unless a party in interest brings a motion objecting to the claim. When an objection to a claim or interest is filed, the creditor or interest holder holding the claim or interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or interest for voting purposes.

THE BAR DATE FOR FILING A PROOF OF CLAIM IN THIS CASE IS November 27, 2013.

A creditor or interest holder may have an allowed claim or interest even if a proof of claim or interest was not timely filed. A claim is deemed allowed if (1) it is scheduled on the Debtor's schedules and such claim is not scheduled as disputed, contingent, or unliquidated, and (2) no party in interest has objected to the claim. An interest is deemed allowed if it is scheduled and no party in interest has objected to the interest.

b. What Is an Impaired Claim/Interest

As noted above, an allowed claim or interest only has the right to vote if it is in a class that is impaired under the Plan. A class is impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class. For example, a class comprised of general unsecured claims is impaired if the Plan fails to pay the members of that class 100% of their claim plus interest.

In this case, the Proponent believes that there are no impaired classes.

3. Who Is Not Entitled to Vote

The following four types of claims are not entitled to vote: (1) claims that have been disallowed; (2) claims in unimpaired classes; (3) claims entitled to priority pursuant to Code

Section 507(a)(1), (a)(2), and (a)(8)73; and (4) claims in classes that do not receive or retain any value under the Plan. Claims in unimpaired classes are not entitled to vote because such classes are deemed to have accepted the Plan. Claims entitled to priority pursuant to Code Section 507(a)(1), (a)(2), and (a)(7) are not entitled to vote because such claims are not placed in classes and they are required to receive certain treatment specified by the Code. Claims in classes that do not receive or retain any value under the Plan do not vote because such classes are deemed to have rejected the Plan.

EVEN IF YOUR CLAIM IS OF THE TYPE DESCRIBED ABOVE, YOU MAY STILL HAVE A RIGHT TO OBJECT TO THE CONFIRMATION OF THE PLAN.

4. Who Can Vote in More Than One Class

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

5. Votes Necessary to Confirm the Plan

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

6. Votes Necessary for a Class to Accept the Plan

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

7. Treatment of Nonaccepting Classes

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

8. Request for Confirmation Despite Nonacceptance by Impaired Class(es)

The party proposing this Plan asks the Court to confirm this Plan by cramdown on impaired classes if any of these classes do not vote to accept the Plan.

B. Liquidation Analysis

Another confirmation requirement is the “Best Interest Test”, which requires a liquidation analysis. Under the Best Interest Test, if a claimant or interest holder is in an impaired class and that claimant or interest holder does not vote to accept the Plan, then that claimant or interest holder must receive or retain under the Plan property of a value not less than the amount that such holder would receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code.

In a Chapter 7 case, the Debtor’s assets are usually sold by a Chapter 7 trustee. Secured creditors are paid first from the sales proceeds of properties on which the secured creditor has a lien.

Administrative claims are paid next. Next, unsecured creditors are paid from any remaining sales proceeds, according to their rights to priority. Unsecured creditors with the same priority share in proportion to the amount of their allowed claims. Finally, interest holders receive the balance that remains after all creditors are paid, if any.

In order for the Court to be able to confirm this Plan, the Court must find that all creditors and interest holders who do not accept the Plan will receive at least as much under the Plan as such holders would receive under a Chapter 7 liquidation. The Plan Proponent maintains that this requirement is met here because the value of the Debtor’s assets exceeds the amount of claims and administrative expenses.

C. Feasibility

Another requirement for confirmation involves the feasibility of the Plan, which means that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

There are at least two important aspects of a feasibility analysis. The first aspect considers whether the Debtor will have enough cash on hand on the Effective Date of the Plan to pay all the claims and expenses that are entitled to be paid on such date. The Plan Proponent maintains that this aspect of feasibility is satisfied as illustrated here:

Based on the information provided by the Debtor in its disclosure statement, there is and

will be sufficient cash on hand to pay administrative claims in full. There is nothing more that needs to be considered in determining feasibility.

Accordingly, the Plan Proponent believes, on the basis of the foregoing, that the Plan is feasible.

V. EFFECT OF CONFIRMATION OF PLAN

A. Discharge

The Plan provides that upon confirmation of the Plan, the Debtor will be discharged of liability for payment of debts incurred before confirmation of the Plan.

B. Revesting of Property in the Debtor

All of the assets of the Debtor that are not sold or turned over to TD Bank will re-vest in the Debtor upon confirmation of the Proponent's Plan.

C. Modification of Plan

The Proponent may modify the Plan at any time before confirmation. However, the Court may require a new disclosure statement and/or revoting on the Plan if Proponent modifies the plan before confirmation.

The Proponent may also seek to modify the Plan at any time after confirmation so long as

(1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed modification after notice and a hearing. Proponent further reserves the right to modify the treatment of any Allowed Claims at any time after the Effective Date of the Plan upon the consent of the Creditor whose Allowed Claim treatment is being modified, so long as no other Creditors are materially adversely affected.

D. Post-Confirmation Conversion/Dismissal

A creditor or party in interest may bring a motion to convert or dismiss the case under Section 1112(b), after the Plan is confirmed, if there is a default in performance of the Plan or if cause exists under Section 1112(b). If the Court orders the case converted to Chapter 7 after the Plan is confirmed, then all property that had been property of the Chapter 11 estate, and that has not been disbursed pursuant to the Plan, will revest in the Chapter 7 estate, and the automatic stay will be reimposed upon the revested property only to the extent that relief from stay was not previously granted by the Court during this case.

Quarterly fees pursuant to 28 U.S.C. § 1930(a)(6) continue to be payable to the Office of the

United States Trustee post-confirmation until such time as the case is converted, dismissed, or closed pursuant to a final decree.

NASSAU TOWER REALTY, LLC
a New Jersey limited liability company
Proponent

/s/ Louis Mercatanti

Dated:

By:

LOUIS MERCATANTI, President
Nassau Holdings, Inc., Sole Member of Proponent

PROPERTY ADDRESS	ESTIMATED VALUE
140 Nassau St. Princeton, NJ	3,850,000
71 Main St. Lambertville, NJ	1,400,000
1501 Rt 35, Point Pleasant, NJ (Walgreens)	6,000,000
2457 Perkomen Ave, Mt. Penn, PA	300,000
74 Fairview Ave, Brick NJ	750,000
704 Howe St Pt Pleasant, NJ 08742	750,000
1108 Rt. 88 Point Pleasant, NJ 08742	200,000
1215A Johnson Ave Pt. Pleasant, NJ 08742	150,000
1215 Johnson Ave Pt. Pleasant, NJ 08742	150,000
472 Princeton Avenue, Brick, NJ	550,000
1 and 13 Robbins Parkway, Toms River, NJ	1,200,000
272 Mills Road, Kennebunkport, ME	500,000
6 Deer Run, Brick, NJ	235,000
1015 Route 9 Bayville, NJ	\$430,000
103 Locktown Rd. Flemington, NJ	754,000
3245 Route 35 North, Lavallette, NJ	470,000

SCHEDULE A