

<p>UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY</p> <p>STEVENS & LEE, P.C. 1415 Marlton Pike East Suite 506 Cherry Hill, NJ 08034 (856) 354-9200 John C. Kilgannon, Esq. (JK-3649)</p> <p>and</p> <p>STEVENS & LEE, P.C. 1818 Market Street, 29th Floor Philadelphia, PA 19103 (215) 575-0100 Robert Lapowsky, Esq. Marnie E. Simon, Esq.</p> <p>Counsel for the Debtor</p>	
<p>In re</p> <p>Ballamor Golf Holdings, Inc.</p> <p>Debtor.</p>	<p>Chapter 11</p> <p>Case No.: 09-41341 GMB</p>

**DISCLOSURE STATEMENT IN SUPPORT OF FIRST AMENDED CHAPTER 11 PLAN
OF REORGANIZATION
PROPOSED BY BALLAMOR GOLF HOLDINGS, INC.**

Dated: ~~December 2, 2009~~ January __, 2010

Table of Contents

	<u>Page</u>
<u>Table of Contents</u>	
	<u>Page</u>
DISCLAIMERS	1
PRELIMINARY STATEMENT AND SOLICITATION.....	<u>21</u>
INTRODUCTION.....	<u>41</u>
I. BACKGROUND REGARDING THE DEBTOR AND THE BANKRUPTCY PROCEEDINGS	<u>101</u>
<u>A. Events Prior to the Bankruptcy.....</u>	<u>1</u>
<u>B. Events During the Bankruptcy.....</u>	<u>1</u>
II. THE PLAN OF REORGANIZATION	<u>121</u>
A. Summary Description of Plan	<u>121</u>
B. Treatment of Claims and Interests.....	<u>121</u>
C. Executory Contracts.....	<u>161</u>
D. Retention of Claims	<u>171</u>
E. Liquidation and Feasibility Analysis	<u>171</u>
1. Feasibility.....	<u>171</u>
2. Best Interest Test	<u>191</u>
F. Tax Issues	<u>211</u>
1. Certain Federal Income Tax Consequences Of The Plan	<u>211</u>
2. Tax Consequences To The Debtor	<u>221</u>
3. Tax Consequences To Holders Of Claims	<u>221</u>
G. Post-Confirmation Management.....	<u>221</u>
H. Post-Confirmation Ownership Interests.....	<u>221</u>
I. Releases and Claims Objections.....	<u>231</u>
<u>J. Releases.....</u>	<u>1</u>
RECOMMENDATION.....	<u>241</u>

DISCLAIMERS

THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY HAS APPROVED THIS DISCLOSURE STATEMENT, WHICH APPROVAL DOES NOT CONSTITUTE A DETERMINATION ON THE MERITS OF THE FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION PROPOSED BY BALLAMOR GOLF HOLDINGS, INC. (THE “**PLAN**”) DESCRIBED IN THIS DISCLOSURE STATEMENT. THE APPROVAL OF THIS DISCLOSURE STATEMENT MEANS THAT THE BANKRUPTCY COURT HAS FOUND THAT THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION TO PERMIT CREDITORS AND INTEREST HOLDERS OF THE DEBTOR TO MAKE AN INFORMED DECISION IN EXERCISING THEIR RIGHT TO VOTE UPON THE PLAN. THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN.

THIS DISCLOSURE STATEMENT IS THE ONLY DOCUMENT APPROVED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES ACCEPTING OR REJECTING THE PLAN. NO REPRESENTATIONS CONCERNING THE DEBTOR, ITS BUSINESS OPERATIONS, THE VALUE OF ITS ASSETS OR THE VALUES OF ANY SECURITIES TO BE ISSUED OR BENEFITS OFFERED PURSUANT TO THE PLAN ARE APPROVED BY THE BANKRUPTCY COURT, EXCEPT AS EXPLICITLY SET FORTH IN THIS DISCLOSURE STATEMENT OR ANY OTHER DOCUMENT EXPLICITLY APPROVED FOR DISTRIBUTION BY THE BANKRUPTCY COURT.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE

SECURITIES COMMISSION; NOR HAVE ANY SUCH COMMISSIONS PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT. THIS DOCUMENT WAS COMPILED FROM INFORMATION OBTAINED BY THE PROPONENT, BALLAMOR GOLF HOLDINGS, INC., (THE “DEBTOR”) FROM NUMEROUS SOURCES BELIEVED TO BE ACCURATE TO THE BEST OF THE DEBTOR’S KNOWLEDGE, INFORMATION AND BELIEF.

THE STATEMENTS CONTAINED HEREIN ARE MADE AS OF THE DATE HEREOF, UNLESS ANOTHER TIME IS SPECIFIED, AND NEITHER THE DELIVERY OF THIS DISCLOSURE STATEMENT NOR ANY EXCHANGE OF RIGHTS MADE IN CONNECTION WITH THE PLAN SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE HEREOF.

THE CONTENTS OF THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS INDIVIDUAL, LEGAL, TAX OR INVESTMENT ADVICE. EACH HOLDER OF A CLAIM OR INTEREST SHOULD CONSULT ITS OWN COUNSEL, ACCOUNTANT OR BUSINESS ADVISERS AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING THE MATTERS DESCRIBED HEREIN.

THIS DISCLOSURE STATEMENT CONTAINS ONLY A SUMMARY OF THE PLAN. ALL CREDITORS, INTEREST HOLDERS AND OTHER INTERESTED PARTIES ARE ENCOURAGED TO REVIEW THE FULL TEXT OF THE PLAN AND TO

READ CAREFULLY THE ENTIRE DISCLOSURE STATEMENT, INCLUDING ALL EXHIBITS, BEFORE DECIDING TO VOTE EITHER TO ACCEPT OR REJECT THE PLAN.

**PRELIMINARY
STATEMENT AND SOLICITATION**

The Debtor submits this Disclosure Statement pursuant to Section 1125 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the “**Bankruptcy Code**”), in connection with its solicitation of acceptances of the Plan, which has been Filed with the United States Bankruptcy Court for the District of New Jersey. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan.

Pursuant to the Plan, the Debtor believes that all Claimants will receive a Distribution which far exceeds, and all Interest Holders will receive a Distribution which equals, the Distribution that would be available in a Chapter 7 liquidation. As a result, and given the lack of any alternative plan that would generate a greater return, the Debtor believes that Confirmation of the Plan is in the best interest of all Claimants and Interest Holders and urges each Holder of a Claim to vote in favor of Confirmation.

**IN ADDITION, THE PLAN HAS BEEN NEGOTIATED WITH, AND IS
SUPPORTED BY, THE CREDITORS’ COMMITTEE APPOINTED IN THIS CASE TO
REPRESENT THE INTERESTS OF ALL UNSECURED CREDITORS. A SEPARATE
LETTER FROM COUNSEL TO THE CREDITORS’ COMMITTEE URGING
HOLDERS OF CLAIMS TO VOTE IN FAVOR OF THE PLAN IS ENCLOSED.**

INTRODUCTION

By Order dated _____, ~~2009~~2010, the United States Bankruptcy Court for the District of New Jersey (the “**Bankruptcy Court**”), after notice and hearing, approved this Disclosure Statement as containing adequate information to permit Holders of Claims in impaired Classes to make an informed judgment in exercising their right to vote to accept or reject the Plan. The Bankruptcy Court’s approval of this Disclosure Statement does not mean that the Bankruptcy Court recommends either acceptance or rejection of the Plan.

Enclosed together with this Disclosure Statement are:

- (a) **the Plan;**
- (b) **the Order fixing (i) Plan voting procedure, (ii) the time for voting on the Plan, (iii) the time for filing objections to the Plan and (iv) the date and time of the Confirmation Hearing; ~~and~~**
- (c) **a Ballot for voting on acceptance or rejection of the Plan, for Holders of Claims in Classes and interests which are “Impaired” under the terms and provisions of the Plan and not deemed to have rejected or accepted the Plan (i.e., Class 3A and Class 3B Claims and Class 4 Interests); and**
- (d) a letter from counsel to the Creditors’ Committee urging Holders of Claims to vote to accept the Plan.**

No Person has been authorized to give any information or to make any representation not contained in this Disclosure Statement in connection with the solicitation of acceptances of the Plan. If given or made, such information or representation must not be relied upon as having been authorized by the Debtor.

The Bankruptcy Court has scheduled the Confirmation Hearing for _____, 20___, at _____ at the United States Bankruptcy Court, **United States Bankruptcy Court for the District of New Jersey, Mitchell H. Cohen Courthouse, 400 Cooper Street, 4th Floor, Courtroom 4C, Camden, NJ 08101**. At the Confirmation Hearing, the Court will consider issues related to Confirmation of the Plan, including the Plan’s feasibility and whether the Plan is

in the best interest of the Debtor, Claimants and Interest Holders. Any objection to Confirmation of the Plan must be filed in writing with the Bankruptcy Court and served so as to be received by Debtor's counsel, at the address set forth in the next paragraph and on the last page hereof, by _____, 2010 at 5:00 p.m. Eastern Standard Time.

The deadline for voting on the Plan (the "**Voting Deadline**") is _____, 2010 at 5:00 p.m. Eastern Standard Time. **IN ORDER FOR YOUR BALLOTS TO BE COUNTED, THEY MUST BE ACTUALLY RECEIVED BY STEVENS & LEE, 1818 MARKET STREET, 29TH FLOOR, PHILADELPHIA, PA 19103, ATT.: MARNIE E. SIMON, ESQ. Your Ballots are enclosed herewith.** Please complete and sign your Ballots and return them in the enclosed addressed envelope.

This Disclosure Statement does not purport to be a complete description of the Plan, the financial status of the Debtor, the applicable provisions of the Bankruptcy Code, or of other matters that may be deemed significant by certain Claimants or Holder's of Interests. This Disclosure Statement is an attempt to set forth, in sufficient detail, information adequate to enable Claimants and Interest Holders to make an informed judgment about the Plan pursuant to section 1125 of the Bankruptcy Code. However, certain material terms of the Plan are not summarized herein and Claimants are strongly urged to review the Plan in its entirety in addition to this Disclosure Statement before determining how to vote on the Plan.

Only Impaired Classes Vote. Section 1126(f) of the Bankruptcy Code provides that only classes of claims or equity interests that are "Impaired" under a plan of reorganization are entitled to vote on that plan. Under the Plan, the Holders of Claims in Class 3A and Class 3B and Holders of Interests in Class 4 are impaired and will receive Ballots. No Ballots are being

sent to Holders of Claims in Classes 1, 2A or 2B because such Classes are not impaired and, under the Bankruptcy Code, are deemed to have accepted the Plan.

Voting Instructions. After carefully reviewing these materials, please mark the enclosed Ballots and return them immediately in the addressed envelope provided. If you hold a Claim in more than one Class, you must submit a separate Ballot for each separately classified Claim. For purposes of voting, the amount and classification of a Claim that will be used to tabulate acceptances and rejections of the Plan shall be as follows:

(i) ~~(i)~~—Any claim which is the subject of an order of this court entered on or before the commencement of the confirmation hearing (an “**Allowance Order**”) estimating or otherwise allowing such claim or estimating or allowing such claim for voting purposes shall be counted and classified in the manner set forth in such Allowance Order.

(ii) ~~(ii)~~—Any claim which is not the subject of an Allowance Order shall be allowed and classified, for voting purposes as follows:

(1) ~~(1)~~—If no proof of claim has been filed respecting such Claim prior to the expiration of the time fixed for filing of such proof of claim, such Claim shall be allowed, for voting purposes, in the amount listed, if any, in respect of such Claim in the Debtor’s Schedules of Assets and Liabilities, to the extent such Claim is not listed as contingent, unliquidated, undetermined or disputed and provided no objection to such Claim is filed at least five days before the Voting Deadline. Such Claim shall be placed in the appropriate Class based upon the Debtor’s records.

~~(2)~~ (2) To the extent such Claim is not evidenced by a timely proof of claim and is not listed in the Debtor's schedules or is listed therein as contingent, unliquidated, undetermined or disputed, such Claim shall be disallowed for voting purposes.

~~(3)~~ (3) If a proof of claim has been timely filed evidencing such Claim which has not been objected to at least five days before the Voting Deadline, the amount and classification shall be that specified in the proof of claim, provided such proof of claim does not designate such Claim as wholly or partially contingent, unliquidated or undetermined.

~~(4)~~ (4) If a proof of claim has been timely filed evidencing such Claim or if no timely proof of claim has been filed such Claim is listed in the Debtor's Schedules of Assets and Liabilities and such Claim is the subject of an objection filed at least five days before the Voting Deadline, such Claim shall be disallowed for voting purposes, except to the extent and with the classification indicated in the objection to such Claim.

~~(5)~~ (5) If a Claim is evidenced by a timely proof of claim or, if no timely proof of claim has been filed but such Claim is listed in the Debtor's Schedules of Assets and Liabilities, in either case as wholly or partially unliquidated, contingent and/or undetermined such Claim shall be accorded one vote and valued at one dollar plus any amount specified therein as liquidated and noncontingent for purposes of Section 1126(c) of Bankruptcy Code, unless the Claim is the subject of an objection as set forth in subparagraph (4) above, in

which case such Claim shall be Allowed and classified, for voting purposes, pursuant to the provisions of subparagraph (4).

The following rules and standards shall apply to all Ballots:

- (a) Pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure, whenever a holder of a claim submits more than one ballot voting the same claim prior to the deadline for submission of ballots, except as otherwise directed by the Court, the last such ballot sent and received prior to the Voting Deadline shall be deemed to reflect the voter's intent and shall supersede any prior ballots;**
- (b) The Authority of the signatory of each ballot to complete and execute the ballot shall be presumed;**
- (c) A holder of a claim must vote all of its claims within a particular class under the plan either to accept or reject the plan and may not split its vote. Accordingly, a ballot (or multiple ballots of a single holder with respect to separate claims within a single class, to the extent permitted) that partially rejects and partially accepts the plan, or that indicates both a vote for and against the plan, will not be counted;**
- (d) Any ballot that does not indicate whether the holder of the relevant claim is voting for or against the plan shall not be counted;**
- (e) Any ballot that is not signed shall not be counted;**
- (f) If a holder of a claim holds more than one claim in any class relating to transactions between the debtor and any other single person, all claims of such holder in such class relating to transactions between the debtor and such other single person shall be aggregated and deemed to be one claim for purposes of determining the number of claims voting on this plan; and**
- (g) The Debtor's counsel shall serve as the tabulation agent to, among other things, review and tabulate votes for the acceptance or rejection of the plan.**

The Debtor reserves the right to object to any Ballot and seek to disallow, or modify the amount of, any vote.

Acceptance and Confirmation of Plan. Your vote is important. For an impaired Class of Claims to have voted to accept the Plan, Ballots representing at least two-thirds (2/3) in

amount and more than half (1/2) in number of Claims in such Class Allowed for voting purposes and actually cast must be submitted in favor of the Plan.

Confirmation Without Acceptance By All Impaired Classes. Section 1129(b) of the Bankruptcy Code permits a proponent of a plan of reorganization to seek confirmation in the event that the plan is not accepted by each impaired class, as long as the plan is accepted by at least one impaired class. This procedure is known as “cram-down.” The Court may confirm a plan under the cram-down provisions if, in addition to satisfying the usual requirements of Section 1129 of the Code, the Plan (i) “does not discriminate unfairly” and (ii) is “fair and equitable” with respect to each class of claims or interests that is impaired under, and has not accepted, the Plan. The Debtor has requested Confirmation of the Plan pursuant to a cram-down under the Bankruptcy Code section 1129(b) in the event any Class rejects the Plan.

The Debtor believes that the Plan does not “discriminate unfairly” with respect to any Class of Claims or Interests because the Distributions provided for in the Plan do not provide treatment to any Class disproportionate to the treatment afforded other Classes of equal rank.

The Debtor believes the Plan is “fair and equitable” with respect to impaired Classes because (a) as to each impaired Class of Secured Claims each Holder (i) will retain the liens securing its Claims and receive the present value of the Allowed amount of such Claim over time, or (ii) will receive the indubitable equivalent of such Claim, and (b) as to each impaired Class of Unsecured Claims and Interests, there is no junior Class of Claims or Interests that will receive or retain any Property under the Plan in exchange for its Claim or Interest.

LI

BACKGROUND REGARDING THE DEBTOR AND THE BANKRUPTCY PROCEEDINGS

A. Events Prior to the Bankruptcy

The Debtor is a corporation which was formed in April of 2009 for the purpose, among other things, of acquiring from Eagle Creek Partners, L.L.C. (“**Eagle Creek**”) and Ballamor Golf Club, Inc. (“**BGCI**” and, collectively with Eagle Creek, the “**Sellers**”), (a) the personal property utilized in the operation of a golf course located in Egg Harbor Township, New Jersey and known as the Ballamor Golf Club (the “**Club**”), and (b) a liquor license utilized in connection with the operation of the Club. At or about the same time that the Debtor was formed, another entity known as 6071 English Creek Avenue, Limited Liability Company (“**6071**”) was formed for the purpose, among other things, of acquiring the real property located at 6071 English Creek Ave., Egg Harbor Township, New Jersey ~~(the “**Ballamor Real Property**”)~~, upon which the Club was and is located and including improvements on such real property consisting of, among other things, an eighteen hole golf course and a clubhouse (the “**Ballamor Real Property**”). The Debtor and 6071 share common ownership.

The Ballamor Golf Club began operations in 2000 under the prior ownership of the Sellers, which were entities owned or controlled by Patrick Delaney (“**Delaney**”). Pursuant to one or more “Plans for the Offering of Memberships,” the Sellers sold various plans for the playing of golf under several different “membership” arrangements. ~~The~~ It is the position of the Debtors and Ottinger that the memberships did not confer any ownership rights or equity, nor did the plans require contribution to operating deficiencies. ~~Rather~~ but, rather, the memberships simply afforded the members certain non-exclusive and revocable rights to use of the Club, subject to certain restrictions.

The various golf plans (with limited exceptions) required that members pay a deposit. The deposits charged by the Sellers ranged in amount from \$2,500 to \$13,500 and were either (a) subject to certain conditions, refundable after thirty years or upon the occurrence of certain events, or (b) non-refundable.

On or about May 20, 2009, ~~(a)~~-closing (the “**Closing**”) occurred between and among the Sellers, the Debtor and ~~6071~~,6071. At the Closing, (a) 6071 acquired the Ballamor Real Property. (b) 6071 leased the Ballamor Real Property to the Debtor, (c) approximately 200 outstanding member agreements were assigned to the Debtor, and (d) the Debtor began to operate the Club and related amenities. However, as of the Closing, the transfer of the liquor license had not yet been approved by Egg Harbor Township. As a result, the liquor license was not transferred at Closing. The transfer of the liquor license was approved by Egg Harbor Township on November 10, 2009 and the liquor license was transferred to the Debtor on that date.

Since the Closing, the Debtor has had the opportunity to operate the Club through one full peak season. Unfortunately, the Debtor has concluded that, in order to be viable, the Club must be operated as a fully public, daily fee course and that, in order to do so, all member agreements, and all rights attendant to member agreements, should be terminated.

After significant consideration of alternatives, the Debtor determined that the most efficient way to deal with the economic consequences of termination of all member agreements and the need for certainty as to the consequences of such terminations was through the use of the bankruptcy process. As a result, before ~~the~~ November 20, 2009, the date the Debtor filed its Petition for Relief under Chapter 11 of the United States Bankruptcy Code (the “**Petition Date**”), the Debtor terminated all memberships in the Club and, on the Petition Date,

the Debtor filed a petition for relief under Chapter 11 of the United States Bankruptcy Code.

While the property of the Debtor includes its leasehold interest in the Ballamor Real Property (including the golf course and the clubhouse) the Debtor does not own fee title to any part of the Ballamor Real Property (including the golf course and the clubhouse).

B. Events During the Bankruptcy

On the Petition Date, the Debtor filed a series of motions seeking court approval to undertake actions designed to allow the Debtor to continue to operate its business. Among the motions filed was a motion seeking leave to borrow up to five hundred thousand dollars (\$500,000) (the “Ottinger DIP Loan”) from Chester J. Ottinger, Jr. (“Ottinger”), the owner of the Debtor. The Ottinger DIP Loan was approved, on an interim basis, in an amount limited to forty thousand dollars (\$40,000) and, subsequently, approved on a final basis in the full amount requested.

On the Petition Date, the Debtor also filed a motion seeking leave to file a plan of reorganization (the “Original Plan”) and a related disclosure statement (the “Original Disclosure Statement”). That motion was granted and, on December 2, 2009, the Debtor filed the Original Plan and the Original Disclosure Statement. On December 8, 2009, the United States Trustee appointed a committee of unsecured creditors (the “Committee”) and the Committee retained Fox Rothschild, LLP as its legal counsel. On December 10, 2009, the Debtor met with the Committee and its counsel to negotiate changes to the Original Plan. At the meeting on December 10, 2009, the Committee and the Debtor reached agreement on such changes, all of which have been incorporated into the Plan. Among the changes negotiated by the Committee was a substantial increase in the amounts to be paid to Holders of Allowed General Unsecured Claims in Class 3A who elect to provide a release to Ottinger, Ottinger Affiliates and certain other members of the Debtor’s management and an assignment of such

Holder's claims against Delaney and Affiliates of Delaney from forty percent (40%) of such Allowed Claims to sixty five percent (65%) of such Allowed Claims, payable as described below.

II. H

THE PLAN OF REORGANIZATION

A. Summary Description of Plan

The following represents a summary of certain portions of the Plan deemed relevant by the Debtor. This summary does not attempt to provide a complete description of the Plan and is qualified, in its entirety, by the Plan. Claimants are urged to read the Plan before voting. Capitalized terms used but not defined herein shall have the meaning stated in the Plan.

B. Treatment of Claims and Interests

The Plan divides Holders of Claims and Interests into six Classes and provides separate treatment for Holders of Administrative Claims, Insured Claims and Tax Claims. Administrative Claims consist of obligations incurred by the Debtor on or after the Filing Date, including Claims of Professional Persons for services rendered after the Filing Date. The Debtor estimates that Professionals' Administrative Claims will total approximately ~~\$100,000~~ 100,000; provided that the Debtor understands that the fees and expenses of Professionals in this case to the extent approved by the Court in a greater amount must nonetheless be satisfied in full on or before the Effective Date. Also included as Administrative Claims are the unpaid obligations incurred by the Debtor on or after the Filing Date in the ordinary course of business, all of which will have either been paid in the ordinary course of business by the Effective Date or will be paid in the ordinary course of business thereafter. Additionally, the obligations of the Debtor to cure defaults under leases and executory contracts assumed by the Debtor will be a component of the Administrative Claims. All of the foregoing Administrative Claims, to the extent Allowed, will be paid in full.

The final component of Administrative Claims is the Claim of Chester J. Ottinger, Jr. relating to the Ottinger DIP Loan. The proceeds of the Ottinger DIP Loan will be utilized by the Debtor to maintain operations during the pendency of this Chapter 11 Case. It is anticipated

that the outstanding principal balance of the Ottinger DIP Loan as of the Effective Date will be about five hundred thousand dollars (\$500,000). On the Effective Date, the maturity date on the Ottinger DIP Loan will be extended to at the date not less than three (3) years following the Effective Date following the first date upon which (a) all cash Distributions to Holders of Class 3A General Unsecured Claims have been paid in full, and (b) all Release Payments have been paid in full, with all interest to accrue and ~~become due, along with all principal, on the extended~~ be payable in full at maturity date.

Class 1 consists of all Allowed Priority Claims. Class 1 Claims are primarily Claims for wages, salaries and commissions earned within ninety (90) days prior to the Filing Date and for employee benefits earned within one hundred and eighty (180) days prior to the Filing Date. The Debtor estimates that, as of the Effective Date, Allowed Priority Claims will be ~~deminimus~~ de minimus, if any exist at all. Pursuant to the Plan, all Allowed Priority Claims will be paid in full on the later of (a) the Initial Distribution Date, and (b) ten (10) days after the date on which such Claim becomes an Allowed Priority Claim. Class 1 is unimpaired and deemed to have accepted the Plan.

Class 2A consists of the Allowed Secured Claim of Textron Financial Corporation (“**Textron**”). As of the Filing Date, the outstanding principal balance of the Class 2A Claim was approximately \$176,000. The Class 2A Claim is secured by liens on certain equipment owned by the Debtor. All liens securing the Class 2A Claim will survive the Effective Date and the Textron will be paid in accordance with the agreement evidencing the Class 2A Claim. Class 2A is unimpaired and deemed to have accepted the Plan.

Class 2B consists of all Allowed Secured Claims not otherwise classified. The Debtor does not believe that any Class 2B Claims exist. To the extent that any Class 2B Claims

do exist, such Allowed Class 2B Claims will, at the option of the Debtor, either (a) be paid in accordance with the agreement evidencing such Class 2B Claim, (b) be paid in full, in cash, on the Initial Distribution Date, or (c) receive all proceeds of sale of the Collateral securing such Claim, with any deficiency, to the extent Allowed, treated as a Class 3A or Class 3B Claim.

Class 2B is unimpaired.

Class 3A consists of the Claims of Holders of Allowed General Unsecured Claims. Included in Class 3A are the Claims of Newfield Bank (“**Newfield**”), Claims of the Debtor’s prepetition trade creditors, Claims of parties whose contracts with the Debtor have been rejected (including Claims arising as a result of rejection of Membership Agreements) as well as Claims of former Members of the Club on account of deposits. The Debtor estimates that Allowed Class 3A Claims will total approximately \$4.6 million. Each Holder of an Allowed General Unsecured Claim in Class 3A shall receive a Distribution equal to thirty (30%) percent of such Holder’s Allowed General Unsecured Claim (the “**Primary Class 3A Unsecured Distribution**”). As to each such Holder other than Newfield and any Ottinger Affiliate, the Primary Class 3A Unsecured Distribution shall be effected on or before the later of (a) the Initial Distribution Date and (b) ten Business Days after the date such Claim becomes an Allowed Claim. The Primary Class 3A Unsecured Distribution to Newfield shall be effected on the date the liability of the Debtor pursuant to the Newfield Surety Agreement becomes due (other than as a result of the commencement of the Chapter 11 Case) provided, however, any Distribution to Newfield shall not exceed the amount due by 6071 to Newfield on account of the Newfield/6071 Loan. The Primary Class 3A Unsecured Distribution to the Ottinger Affiliates shall not be effected unless and until all Primary Class 3A Unsecured Distributions and all Release Payments (defined below) have been made to all Holders of Allowed Class 3A General Unsecured Claims

other than Newfield. Each Member with an Allowed Class 3A Claim who accepts the Plan shall have the option (the “**Dues Credit Option**”), exercisable in connection such Member’s ballot, to waive the Primary Class 3A Unsecured Distribution and, instead, receive a credit (the “**Dues Credit**”) in an amount equal to ~~eightynine~~eightynine (~~89~~90%) percent of such Member’s Allowed Class 3A General Unsecured Claim to be utilized in payment of a portion of annual Signature Membership Dues at the rate of no more than two thousand five hundred dollars (~~\$2,000.00~~\$2,500.00) per Season, with any unused Dues Credit to expire on February 28, 2015. To the extent any Dues Credit expires unused, the applicable Member shall not be entitled to any payment or other consideration on account of such expired Dues Credit or such Member’s Allowed Class 3A General Unsecured Claim. Each Holder of an Allowed Class 3A General Unsecured Claim who elects the Dues Credit Option shall be deemed to have elected to provide a release (the “**Release**”) to Chester J. Ottinger, Jr. (“**Ottinger**”), the sole stockholder of the Debtor and all Affiliates of Ottinger and to John Igoe and Michael Tucci and to have assigned to Ottinger all of such Holder’s claims (the “**Delaney Claims**”) against Patrick J. Delaney, the controlling stockholder of the prior owner of the Club, and his Affiliates (the “**Delaney Claim Assignment**”). Each Holder of an Allowed Class 3A General Unsecured Claim who accepts the Plan but does not elect the Dues Credit Option shall have an additional option, exercisable in connection such Holder’s ballot, to provide the Release and to assign to Ottinger all of such Holder’s Delaney Claims in consideration of an additional Distribution (the “**Release Payment**”) equal to thirty-five percent (35%) of such Holders Allowed Class 3A General Unsecured Claim, payable as follows: (a) ten percent (10%) of such Holders Allowed Class 3A General Unsecured Claim. ~~The Release Payment shall be paid on or before the later of (a) on the later of (i) the~~ Initial Distribution Date and (b) ten Business Days after the date such Claim becomes an

Allowed Claim. Class 3A is impaired., (b) twelve and one-half percent (12.5%) of such Holders
Allowed Class 3A General Unsecured Claim on the later of (i) the first Business Day following
the first anniversary of the Initial Distribution Date and (ii) ten Business Days after the date such
Claim becomes an Allowed Claim, and (c) twelve and one-half percent (12.5%) of such Holders
Allowed Class 3A General Unsecured Claim on the later of (i) the first Business Day following
the second anniversary of the Initial Distribution Date and (ii) ten Business Days after the date
such Claim becomes an Allowed Claim. 6071 shall guaranty, on an unsecured basis, the two (2)
Release Payment installments due on or after the first and second anniversaries of the Initial
Distribution Date. The Debtor has agreed not to object to any Non-Refundable Deposit Claims
on the basis that such Claims were non-refundable and will not object to any Refundable Deposit
Claims on the basis that the Holder of such Claim was not a Member in good standing as of the
Petition Date if such Holder was a Member in good standing as of December 31, 2008.
However, to the extent any other bases exist to object to Non-Refundable Deposit Claims or
Refundable Deposit Claims (for example, if such Claims are asserted in amounts in excess of
amounts reflected on the Debtor's books and records) all such other bases for objection shall be
retained. Class 3A is impaired. On the following page is a chart which summarizes the
treatment of Allowed Class 3A Claims depending on elections made by the Holder.

CLASS 3A CLAIM TREATMENT CHART

<u>NATURE OF CLAIM BASED ON SELECTED OPTIONS</u>	<u>DISTRIBUTIONS FROM DEBTOR</u>	<u>RELEASE PAYMENTS</u>	<u>DUES CREDIT</u>
<u>All Holders of Allowed Class 3A Unsecured Claims Who do not Elect the Dues Credit Option and do not Elect to Provide the Release & Delaney Claim Assignment</u>	<u>Distribution from the Debtor on later of Allowance and Initial Distribution Date equal to 30% of the Allowed Claim</u>		
<u>All Holders of Allowed Class 3A Unsecured Claims Who do not Elect the Dues Credit Option and Who Elect to Provide the Release & Delaney Claim Assignment</u>	<u>Distribution from the Debtor on later of Allowance and Initial Distribution Date equal to 30% of the Allowed Claim</u>	<u>Release Payments equal to 35% of Allowed Claim Paid (a) 10% on later of Allowance and Initial Distribution Date, (b) 12.5% on later of Allowance and first anniversary of Initial Distribution Date, and (c) 12.5% on later of Allowance and second anniversary of Initial Distribution Date</u>	
<u>All Holders of Allowed Class 3A Unsecured Claims Who Elect the Dues Credit Option (who will be deemed to have provided the Release & Delaney Claim Assignment)</u>			<u>Dues Credit Equal to 90% of Allowed Claim, to be used by 2/28/15 at a rate of no more than \$2,500/year as credit against Signature Membership or Family Signature Membership</u>

Class 3B consists at all Allowed Convenience Claims. Convenience Claims are Unsecured Claims which are equal to or less than \$1,000 or are reduced by their Holder to \$1,000 or less. All Allowed Convenience Claims will be paid eighty percent (80%) of the amount of the Allowed Convenience Claim on the latter of the Effective Date or the date of Allowance. In addition, each Holder of an Allowed Convenience Claim who accepts the Plan shall have an option, exercisable in connection such Holder’s ballot, to provide the Release and to assign to Ottinger all of such Holder’s Delaney Claims in consideration of a Convenience Claim. Release Payment equal to ten percent (10%) of such Holders Allowed Convenience

Claim. The Convenience Claim Release Payment shall be paid on or before the later of (a) the Initial Distribution Date and (b) ten Business Days after the date such Claim becomes an Allowed Claim. Class 3B is impaired.

Class 4 consists of the Interests in the Debtor. If Class 3A and Class 3B accept the Plan, each Holder of an Allowed Interest shall retain such Allowed Interest and such Allowed Interests shall be unimpaired. If Class 3A or Class 3B reject the plan, (a) all Allowed Interests shall be cancelled on the Effective Date, (b) on the Effective Date, the Debtor shall issue 100 shares of new stock to the Plan Funder(s) in consideration of a new investment (the “**Plan New Equity Investment**”) in the amount necessary to make Distributions under the Plan, and (c) Class 4 will be impaired.

C. Executory Contracts

All Membership Agreements, to the extent executory, will be rejected before the Effective Date pursuant to a separate rejection motion which has been filed by the Debtor. If, for any reason, a Membership Agreement which is an executory contract is not rejected before the Effective Date, such agreement will be rejected on the Effective Date. All other Executory Contracts, unless specifically rejected by order of the Bankruptcy Court, will be assumed by the Debtor. All Claims arising from the assumption of Executory Contracts will be treated as Administrative Claims pursuant to the Plan. A list of cure amounts for assumed contracts is attached to the Plan as Exhibit “B”. Pursuant to the Plan, all of the Executory Contracts of the Debtor listed on Exhibit “A” attached to the Plan will be rejected. Exhibit “A” to the Plan may be amended to include or delete Rejected Contracts at any time until a date that is five (5) days prior to the Confirmation Hearing. In the event Exhibit “A” to the Plan is so amended, the affected non-Debtor party will receive notice. All Claims arising from the rejection of Executory Contracts shall be treated as General Unsecured Claims in Class 3A or, if applicable, 3B.

D. Retention of Claims

Pursuant to the Plan, the Debtor will retain all claims it may have against third parties.

E. Liquidation and Feasibility Analysis

Notwithstanding acceptance of the Plan by the requisite majority of Holders of Claims in any Class, the Bankruptcy Court must still independently determine that the Plan is not likely to be followed by the need for further financial reorganization of the Debtor (the “**Feasibility Test**”). For the Plan to meet the Feasibility Test, the Bankruptcy Court must find that the Debtor will possess the resources necessary to meet its obligations under the Plan. In addition, the Bankruptcy Court must determine that each Holder of a Claim in an Impaired Class either (a) has accepted the Plan, or (b) will receive a Distribution under the Plan at least equal to the projected present value of distributions to such Holders in liquidation under Chapter 7 of the Bankruptcy Code (the “**Best Interest Test**”).

1. Feasibility

The Debtor has analyzed its ability to meet its obligations under the Plan. Except for Distributions on account of Claims held by Textron, Ottinger and his Affiliates and Newfield, all cash Distributions by the Debtor contemplated by the Plan on account of Allowed Claims occur on the later of the Initial Distribution Date and ten (10) business days following the date the applicable Claim is Allowed. Attached hereto as Exhibit 1 is an analysis of the projected ~~Initial Distribution Date~~ cash sources and uses under the Plan. Exhibit 1 was prepared based on the following assumptions (a) all Claims will have been Allowed by the Initial Distribution Date in amounts reflected in the Debtor’s books and records, (b) ~~all Claims asserted by Members on account of non-refundable deposits will be Allowed as Class 3A General Unsecured Claims in an~~

~~amount equal to forty percent (40%) of the amount of such deposits⁺, (e) no Member holding an Allowed Class 3A Claim will elect the Dues Credit Option, and (d) all Holders of Class 3A Claims and Class 3B Claims will elect to provide the Release.~~ The Debtor believes that the foregoing assumptions result in a projected cash need ~~as of the Initial Distribution Date~~ which is likely in excess of the actual cash need as the Debtor believes that a significant number of Members will elect the Dues Credit Option. However, even if no Member elects the Dues Credit Option ~~and each Holder of a Class 3A Claim elects to provide the Release,~~ based on the other assumptions noted above, the Debtor's projected cash need as of the Initial Distribution Date will not exceed ~~\$700,000~~ 609,550. The actual cash required to fund Distributions by the Debtor under the Plan (other than on account of Claims held by Textron, Ottinger and his Affiliates and Newfield) will be provided by a Person (the "**Plan Funder**") who the Debtor anticipates will be Ottinger and/or one or more Ottinger Affiliates pursuant to a loan (the "**Plan Loan**"), ~~if Class 3A or Class 3B rejects the Plan, or, if Class 3A and Class 3B accept the Plan, or, if Class 3A or Class 3B reject the Plan,~~ pursuant to an equity investment (the "**Plan New Equity Investment**"). The Debtor believes that Ottinger ~~has~~ and the Ottinger Affiliates have sufficient net worth and liquidity to provide the Debtor with the Plan Loan or Plan New Equity Investment, as applicable, on the Initial Distribution Date.

In addition to the amounts described above needed to fund Distributions to be made by the Debtor under the Plan, Ottinger or an Ottinger Affiliate must have sufficient net worth to fund the Release Payment and the Convenience Claim Release Payment. As reflected in Exhibit 1, assuming no Member elects the Dues Credit Option and all Holders of Class 3A and Class 3B elect to provide the Release, the projected cash needed to fund the Release Payment

⁺ ~~The Debtor disputes all Claims based on non-refundable deposits but intends to offer to Allow any such Claim held by an active member in good standing in an amount equal to 40% of the net remaining amount of such~~

and the Convenience Claim Release Payment is \$578,975. The Debtor believes that Ottinger or an Ottinger Affiliate has sufficient net worth and liquidity to fund the Release Payment and the Convenience Claim Release Payment as and when due.

Attached hereto as Exhibit 2 is a cash flow analysis reflecting the Debtor's projected cash flows for the period from January 1, 2010 to December 31, 2010 assuming operation as a fully public, daily greens fee golf course. The projected cash flows account for the payment of the Textron claim pursuant to the terms of the Textron loan agreement, as required by the Plan, and reflect the ability to the Debtor to sustain its operations in order to meet its obligations to Members who elect the Dues Credit Option during the 2010 calendar year. While projections for years subsequent to 2010 have not been completed, the Debtor projects that operating performance during such years will not deteriorate from performance during 2010. Based upon the analyses reflected in Exhibits 1 and 2, the Debtor believes that the Plan meets the requirements of the Feasibility Test. In preparing Exhibits 1 and 2, the Debtor has relied upon its best estimate of cash flows, assets and Allowed Claims. The Debtor does not warrant the accuracy of the said estimates.

2. Best Interest Test

Distributions in Chapter 7 would consist of the proceeds resulting from the disposition of the assets of the Debtor, augmented by the cash held by the Debtor at the time of the commencement of the liquidation case. Liquidation proceeds would be distributed in the following order: first, to Textron on account of its Class 2A Claim and to Ottinger on account of the Ottinger DIP Loan, next, Pro Rata to the Holders of Allowed Administrative Claims arising after the date of conversion of the Debtor's Bankruptcy Case to a case under Chapter 7; next, Pro

~~deposit.~~

Rata to the Holders of all other Allowed Administrative Claims; next, Pro Rata, to Holders of Priority Claims in the order specified in section 507 of the Bankruptcy Code; next, Pro Rata to Holders of Allowed Unsecured Claims in the order specified in section 726 of the Bankruptcy Code; and last, to the Debtor.

The Allowed Administrative Claims under Chapter 7 would include the fees payable to one or more trustee(s) in bankruptcy as well as attorneys and other professionals that such trustees would engage to assist in the administration of the Chapter 7 liquidation case. The Debtor's other Allowed Administrative Claims would include any unpaid expenses incurred by the Debtor during the Chapter 11 Case, such as compensation to Professional Persons as well as Claims which would arise by reason of breach or rejection of obligations incurred under contracts entered into or assumed by the Debtor during the pendency of the Chapter 11 Case.

The Best Interest Test is satisfied, by definition, as to Holders of Claims in Class 1, Class 2A and Class 2B, consisting of Priority Claims and Secured Claims, since such Claims are either paid in full under the Plan or Holders of such Claims will be permitted to foreclose on collateral securing such claims. The Best Interest Test is satisfied as to Holders of Claims in Class 3A and Class 3B since, under the Plan, the Holders of Class 3A Claims will receive, at minimum, thirty percent (30%) of their Allowed Claims and the Holders of Class 3B Claims will receive eighty percent (80%) of their Allowed Claims while, given the amount of Claims with priority over Class 3A and Class 3B Claims, and based on the liquidation analysis attached hereto as Exhibit 3, in a Chapter 7 liquidation, Holders of Class 3A and Class 3B Claims would not receive any distributions. In fact, even if one were to ignore, for the purposes of the Best Interests Test, all Claims which would have priority over the Class 3A and Class 3B Claims in a Chapter 7 liquidation, the Best Interests Test would still be satisfied as to Classes 3A and 3B

since, including the Class 3A Claims of Newfield, Ottinger and the Ottinger Affiliates, Class 3A and 3B Claims would total in excess of \$4,500,000 and would share in liquidation proceeds of only \$783,000, yielding a distribution of less than the 30% provided to Holders of Class 3A Claims and less than the 80% provided to Holders of Class 3B Claims under the Plan.

The only remaining impaired Class as to whom the Best Interests Test needs to be applied is Class 4. Because the value of the Debtor's property is not sufficient to pay all holders of Claims senior in priority to the Interests in Class 4 in full, in a Chapter 7 liquidation, the Holders of Interests in Class 4 would receive nothing. Thus, the Best Interests Test is satisfied as to Class 4 because the Holders of Class 4 Interests will not receive less under the Plan than they would receive if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code.

F. Tax Issues

1. Certain Federal Income Tax Consequences Of The Plan

The following discussion summarizes certain federal income tax consequences of the Plan to the Debtor and certain of the Holders of Claims. The tax consequences to Holders may vary based on the individual circumstances of each Holder and the possibility of changes in law. No rulings or opinions have been requested from the Internal Revenue Service (the "IRS") or from counsel with respect to any of the tax consequences of the Plan. The conclusions presented below may be based in part on analyses and evaluations of factors not discussed herein. *Because the tax consequences of the Plan may vary depending upon individual circumstances, each Holder of a Claim is strongly urged to consult its own tax advisor as to the federal, state and local tax consequences of the Plan.*

2. Tax Consequences To The Debtor

Upon implementation of the Plan, the amount of the Debtor's aggregate outstanding indebtedness will be substantially reduced. In general, under the Tax Code, a

taxpayer must include in gross income the amount of any indebtedness discharged or canceled during the taxable year, except to the extent that payment of such indebtedness would have given rise to a deduction for income tax purposes. However, the Debtor is an S Corporation and, as a result, is treated as if it is a partnership for tax purposes. The Debtor, because it is treated as a partnership for tax purposes, is not liable to pay taxes on its income. Instead, the income is passed along to the Debtor's shareholders who are then required to pay taxes on that income. This discussion does not address potential tax consequences of Plan Confirmation to the Debtor's shareholders.

3. Tax Consequences To Holders Of Claims

The Holders of Claims will, in general, recognize gain or loss on the satisfaction of their Claims in exchange for cash and/or other property. For this purpose gain or loss will be measured by the difference between a Holders' tax basis in its Claim and the sum of any cash and the fair market value of other property received in satisfaction thereof.

G. Post-Confirmation Management

On the Effective Date, it is anticipated that the currently serving directors and officers of the Debtor will continue in office.

H. Post-Confirmation Ownership Interests

If the Plan is accepted by Classes 3A and 3B, the existing ownership interests in the Debtor will continue unaffected by Plan Confirmation. If the Plan is rejected by either Class 3A or Class 3B, on the Effective Date, all existing ownership interests in the Debtor will be cancelled and the Debtor will issue new ownership interests to the Plan Funder, in return for the Plan New Equity Investment.

I. ~~Releases and Claims Objections~~

~~The Plan provides for certain limitations on causes of action against the Debtor, Ottinger, and their respective shareholders, directors, officers, employees and professionals. In addition, based on the proofs of claim filed prior to the approval of this Disclosure Statement, the Debtor anticipates objecting to approximately ____ Claims, the identity of which is disclosed on Exhibit 4, attached hereto.~~

J. Releases

The Plan provides for certain limitations on causes of action against the Debtor, Ottinger, and their respective shareholders, directors, officers, employees and professionals as well as the Committee, members of the Committee and the Committee's professionals (including counsel and accountants, if any).

RECOMMENDATION

THE DEBTOR URGES ALL VOTING CREDITORS TO ACCEPT THE PLAN
AND TO RETURN THEIR BALLOTS SO THAT THEY WILL BE ACTUALLY RECEIVED
BEFORE 5:00 P.M., EASTERN STANDARD TIME ON _____, 2010.

BALLAMOR GOLF HOLDINGS, INC.

By: _____
Chester J. Ottinger, Jr.
President

COUNSEL TO THE DEBTOR

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EXHIBIT "1"

~~ESTIMATED-EFFECTIVE DATE~~ CASH SOURCES AND USES

Sources

Plan Loan or Plan New Equity Investment -	\$ 546,280 <u>609,550</u>
Release Payment -	\$ 147,700 <u>578,375</u>
<u>Convenience Claim Release Payment</u>	<u>\$600</u>
TOTAL SOURCES	\$693,980 <u>1,188,525</u>

Uses

Administrative Claims @ 100%	\$ 100,000
Class 1 – Priority Claims @ 100%	\$0
Class 3A – General Unsecured Claims	
Member Refundable Claims (\$1.3 M @ 30%)	\$390,000
Member Nonrefundable Claims (\$141,000 <u>352,500</u> @ 30%)	\$42,480 <u>105,750</u>
Non-Member Claims (\$30,000 @ 30%)	\$9,000
Class 3B – Convenience Claims (\$6,000 @ 80%)	\$4,800
Release Payment (\$1.477 M x .10 <u>1,652,500 @ 35%</u>)	\$147,700 <u>578,375</u>
<u>Convenience Claim Release Payment (\$6,000 @ 10%)</u>	<u>\$600</u>
TOTAL USES	\$693,980 <u>1,188,525</u>

EXHIBIT “2”

CASH FLOW ANALYSIS

EXHIBIT "3"

LIQUIDATION ANALYSIS

SOURCES

Personal Property	\$483,000
Liquor License	\$300,000
TOTAL SOURCES	\$783,000

USES WITH PRIORITY OVER CLASS 3A AND 3B CLAIMS

Textron Secured Claim	\$176,000
Ottinger DIP Loan	\$500,000
Chapter 7 Administrative Expenses	\$50,000
Chapter 11 Administrative Expenses	\$100,000
TOTAL CLAIMS WITH PRIORITY	\$826,000

EXHIBIT “4”

CLAIMS OBJECTIONS

Document comparison by Workshare Professional on Friday, January 08, 2010
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Description	959502 v6
Rendering set	Standard

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<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
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Padding cell	

Statistics:	
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Moved to	0
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Format changed	0
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