

ARTHUR J. ABRAMOWITZ (AA3724)
JERROLD N. POSLUSNY, JR. (JP7140)
SHERMAN, SILVERSTEIN, KOHL, ROSE & PODOLSKY, P.A.
308 Harper Drive, Suite 200
Moorestown, NJ 08057
(856) 662-0700
Attorneys for the Debtor

In re: UNITED STATES BANKRUPTCY COURT
: FOR THE DISTRICT OF NEW JERSEY

HAAS ENVIRONMENTAL, INC., : Case No. 13-27297

Debtor. : Chapter: 11

PLAN AGREEMENT BETWEEN THE DEBTOR, PEOPLE'S UNITED EQUIPMENT FINANCE CORP. AND COMMERCIAL CREDIT GROUP INC.

This Plan Agreement (the "Agreement") is entered into by and between Haas Environmental, Inc. (the "Debtor"), People's United Equipment Finance Corp. ("Peoples") and Commercial Credit Group Inc. ("CCG" and together with the Debtor and Peoples, the "Parties");

WHEREAS, on August 6, 2013, (the "Petition Date"), the Debtor commenced a bankruptcy case (the "Bankruptcy Case"), by filing a voluntary petition for relief under chapter 11 of title 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of New Jersey (the "Bankruptcy Court"); and

WHEREAS, the Debtor acknowledges that Peoples holds a first position lien against, inter alia, the Debtor's accounts, cash collateral and several of the Debtor's pieces of equipment and vehicles. The balance owed to Peoples as of January 24, 2014 is \$2,713,307.05, plus accrued and accruing interest, costs and attorneys' fees (the "Peoples Indebtedness"); and

WHEREAS, the Debtor acknowledges that CCG holds a second position lien against, inter alia, the Debtor's accounts, cash collateral, and a first lien position against several of the Debtor's pieces of equipment and vehicles. The balance owed to CCG as of January 24, 2014 is

\$2,002,288.34, plus accrued and accruing interest, costs and attorneys' fees (the "CCG Indebtedness"), and

WHEREAS, the Peoples Indebtedness and CCG Indebtedness are each absolutely and unconditionally owing from the Debtor to Peoples and CCG, respectively, without defense, offset or counterclaim, and are fully secured claims within the meaning of 11 U.S.C. § 506(b); and

WHEREAS, the Debtor has asserted that the value of Peoples' and CCG's collateral is such that Peoples and CCG have an equity cushion and therefore the Debtor has argued that no adequate protection payments are necessary; and

WHEREAS, Peoples and CCG have disputed whether there is an equity cushion and demanded adequate protection payments; and

WHEREAS, the Debtor desires to continue to use cash collateral through confirmation of a reorganizing plan and the Parties desire to negotiate terms of repayment to Peoples and CCG under a reorganizing plan; and

WHEREAS, in order to avoid the potential costs, risks, and delay of litigating the use of cash collateral, the Parties and the Committee have reached an agreement for the use of cash collateral through May 31, 2014, which agreement is incorporated in a proposed consent order that will be submitted to the Court for consideration on or about February 25, 2014 (the "Cash Collateral Order"), and

WHEREAS, in order to avoid the potential costs, risks, and delay of litigating the Debtor's treatment of Peoples and CCG under a plan of reorganization, the Parties have determined to resolve their disputes related to plan treatment as set forth in this Agreement; and

NOW, THEREFORE, the Parties intending to be bound and for good and valuable consideration, the receipt of which is hereby acknowledged, agree as follows:

1. The recitals set forth in the “Whereas” clauses above are incorporated herein by reference.
2. Pre-Effective Date Payments: Prior to the effective date of a plan of reorganization, the Debtor shall make the following payments to Peoples and CCG:
 - a. The Parties acknowledge that on February 5, 2014, the Debtor made a payment of \$10,000 to Peoples and CCG, respectively, as adequate protection for February 2014.
 - b. On March 15, 2014 and April 15, 2014, the Debtor shall make adequate protection payments to Peoples in the amounts of \$22,889.03 and \$18,672.63 for each respective month.
 - c. On March 25, 2014, and April 25, 2014, the Debtor shall make an adequate protection payment to CCG in the amount of \$13,348.39 for each respective month.
 - d. On May 15, 2014, and on the 15th day of each consecutive month thereafter so long as the Debtor is authorized to use cash collateral, the Debtor shall make an adequate protection payment to Peoples in the amount of \$55,116.90 per month, which payments shall also be considered “Peoples Restructuring Payments.”
 - e. On May 25, 2014, and on the 25th day of each consecutive month thereafter so long as the Debtor is authorized to use cash collateral, the Debtor shall make an adequate protection payment to CCG in the amount of \$40,790.00 per month, which payments shall also be considered “CCG Restructuring Payments.”
3. Post-Effective Date Payments to Peoples: Any plan of reorganization proposed by the Debtor that proposes to pay Peoples over a period of time shall provide for the following treatment of Peoples after the effective date of a plan of reorganization:
 - a. Debtor shall pay to Peoples the aggregate amount of \$2,713,307.05, plus non-default interest at the rate of eight percent (8%) and accrued and accruing costs and

attorneys' fees, pursuant to the various written loan agreements that comprise and correspond to the Peoples loans ("Peoples Loan Documents"), as modified hereby, in sixty-one (61) consecutive monthly installments as follows:

- i. Sixty (60) monthly payments, each in the amount of \$55,116.90 and correspond to the Peoples Restructuring Payments, commencing on May 15, 2014 and continuing on the 15th day of each calendar month thereafter through and including April 15, 2019; and followed by
 - ii. One (1) final lump sum payment comprised of all accrued and unpaid interest, late charges and other costs and expenses, including any attorneys' fees incurred by Peoples relative to the Peoples Loan Documents in excess of \$35,000.00, if any, on May 15, 2019 (the "Peoples Final Payment").
- b. A check drawn against insufficient funds shall not constitute any payment, and shall instead constitute a payment default.
- c. Peoples is authorized and allowed, but not required, to send monthly billing statements to the Debtor.
- d. Peoples waives any prepayment premium under the Peoples Loan Documents. However, if the Debtor pays the entire Peoples Indebtedness in full, such payment shall include all amounts owed under the Peoples Loan Documents (exclusive of the prepayment premium only).

4. Post-Effective Date Payments to CCG: Any plan of reorganization proposed by the Debtor that proposes to pay CCG over a period of time shall provide for the following treatment of CCG after the effective date of a plan of reorganization:

a. Debtor shall pay to CCG the aggregate amount of \$2,002,288.34, plus non-default interest at the rate of eight percent (8%) and accrued and accruing costs and attorneys' fees, pursuant to the various written loan agreements that comprise and correspond to the CCG loans ("CCG Loan Documents" and together with the Peoples Loan Documents, the "Loan Documents"), as modified hereby, in sixty-one (61) consecutive monthly installments as follows:

- i. Sixty (60) monthly payments, each in the amount of \$40,790.00 and correspond to the CCG Restructuring Payments, commencing on May 20, 2014 and continuing on the 20th day of each calendar month thereafter through and including April 20, 2019; and followed by
- ii. One (1) final lump sum payment comprised of all accrued and unpaid interest, late charges and other costs and expenses, including any attorneys' fees incurred by CCG relative to the CCG Loan Documents in excess of \$15,000.00, if any, on May 20, 2019 (the "CCG Final Payment").

b. A check drawn against insufficient funds shall not constitute any payment, and shall instead constitute a payment default.

c. CCG is authorized and allowed, but not required, to send monthly billing statements to the Debtor.

d. CCG waives any prepayment premium under the CCG Loan Documents. However, if the Debtor pays the entire CCG Indebtedness in full, such payment shall include all amounts owed under the CCG Loan Documents (exclusive of the prepayment premium only).

5. This Agreement is supplemental to and not in lieu of the respective Loan Documents, the terms of which are incorporated herein by this reference (except as modified in paragraphs 3 and 4 above). The Debtor shall incorporate the terms and conditions of this Agreement and the Loan Documents (as modified in paragraphs 3 and 4 above) into any proposed plan of reorganization and, provided the Debtor is not in default hereunder or any other Order entered by the Bankruptcy Court in this matter and satisfies this requirement, Peoples and CCG will vote in favor of such proposed plan of reorganization. However, if any plan of reorganization is proposed or confirmed without incorporating the terms and conditions of this Agreement and the respective Loan Documents (as modified in paragraphs 3 and 4 above) and/or the Debtor is in default hereunder or any other Order entered by the Bankruptcy Court in this matter, Peoples and CCG shall be entitled to object to such plan of reorganization. Except as otherwise expressly modified in paragraphs 3 and 4 above, the terms and conditions set forth in the respective Loan Documents are hereby reserved and retained and, in the event of any conflict between any such term or condition with any term or condition set forth in the plan of reorganization in this matter, the terms and conditions set forth in the Loan Documents shall govern.

6. In the event the Debtor fails to comply with each term and condition in this Agreement, including, but not limited to, defaulting upon any obligation herein or any other Order entered by the Bankruptcy Court in this matter, a plan of reorganization is proposed or confirmed without incorporating the terms and conditions of this Agreement and the Loan Documents (as modified in paragraphs 3 and 4 above), and/or this bankruptcy proceeding is converted or dismissed, Peoples and CCG shall be entitled to demand, enforce, pursue, and recoup all of the terms, conditions and sums set forth in the Loan Documents and remedies, including, without

limitation, the provisions relating to the original non-default rate of interest, late fees, prepayment premium, attorneys' fees, expenses and costs. Except as otherwise expressly provided herein, the rights and remedies under this Agreement shall be cumulative and non-exclusive of any other rights and remedies that Peoples and CCG may have, including, without limitation, those set forth in the Loan Documents, the Bankruptcy Code, the Uniform Commercial Code, at law, in equity, and by statute; all of which Peoples and CCG herein reserve and retain.

7. The Parties agree that each Party and its counsel (if applicable) have reviewed this Agreement, and that each fully understands and voluntarily accepts all the provisions contained in this Agreement. The Parties further agree that this Agreement was the product of negotiations between the Parties and that any rule of construction that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement.

8. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the Parties.

9. No modification of this Agreement shall be binding or enforceable unless in writing and signed by the Parties affected by such modification, or their respective counsel.

10. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.


11. This Agreement shall be interpreted and construed in accordance with the provisions of the Bankruptcy Code and, where not inconsistent, the laws of the State of New Jersey, without regard to the conflict of laws principles of the State of New Jersey. Each of the

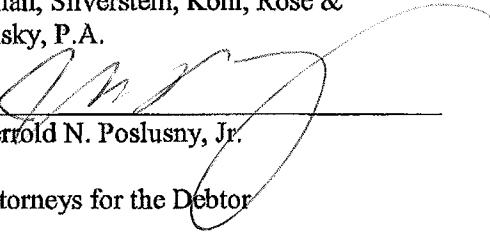
Parties hereby irrevocably consents to the jurisdiction of the Bankruptcy Court with respect to any action to enforce the terms and provisions of this Agreement.

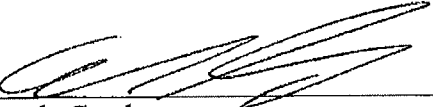
12. This Agreement may be executed in one or more counterparts, including by email or facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13. Each person signing this Agreement represents and warrants that he/she has been duly authorized and has the requisite authority to execute and deliver this Agreement on behalf of such Party and to bind his/her respective clients to the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the Parties have each approved and executed this Agreement.

Peretore & Peretore
By: 
Frank Peretore
Attorneys for Peoples

Sherman, Silverstein, Kohl, Rose & Podolsky, P.A.
By: 
Jerrold N. Poslusny, Jr.
Attorneys for the Debtor

Romano, Garubo & Argentieri, LLC
By: 
Angelo Garubo
Attorneys for CCG